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NEWS SUMMARY

GENERAL

Nato plans further sanctions on Poland

The U.S. and its Nato allies yesterday promised more political and economic measures against Poland and the Soviet Union and avoided clashing over whether Washington's sanctions should delay the Siberia gas pipeline project.

Nevertheless European governments believe the U.S. suspension of export licences for pipeline equipment was a deliberate attempt to torpedo the project. **Back Page; Power struggle Page 2**

Brezhnev appeal

Soviet President Brezhnev accused the US of dragging its feet at the Geneva missile talks and urged a two-thirds cut in medium-range weapons. **Page 2**

Defence budget

The Reagan Administration wants to increase its defence budget by 15 per cent to more than \$255bn (£136bn) in the coming financial year. **Back Page**

4m jobless claim

The Manpower Services Commission said it estimated about 4m were unemployed—a million more than the official jobs figure. **Back Page**

Labour warning

Leaders of London's Labour boroughs warned the Inner London Education Authority they face a poll disaster in May unless the education rate bill is cut. **Back Page**

Wine war move

France is being taken to the European Court for reintroducing its ban on Italian wine imports in the latest phase of the wine war.

Shop hours plea

Nearly two-thirds of consumers want greater flexibility in shop opening hours, including Sunday trading, says a consumer council survey. **Page 7**

Pretoria powers

A Government-appointed commission on South Africa's tough security laws recommended closer scrutiny of police actions and new detention powers. **Page 3**

Irish arms find

Irish police discovered a terrorist arms dump, including thousands of bullets and rockets, in Co Louth in a ditch near the border with Ulster.

Prison order

Landlord Roy Cutler, brother of former CILC leader Sir Horace Cutler, was ordered to prison for six weeks for failing to obey court orders.

Bremner award

Footballer Billy Bremner was awarded £100,000 damages in the High Court over a newspaper's allegations he had offered bribes to "fix" matches.

Hoaxer banned

American Lawrence Roland who made hoax bomb calls while pretending to be an IRA terrorist was banned from Britain for 20 years at the Old Bailey.

Bristol City saved

Bristol City football club was saved from liquidation after eight players agreed to accept a £100,000 redundancy package and free transfers. **Page 6**

Briefly

Six Gambians were sentenced to death for their part in July's attempted coup.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS	
Treas 131pc 1997...	2894 +1
Treas 131pc 04-06...	2861 +1
Allied Lyons	30 +3
Amstrad	205 +25
BAT Inds	403 +13
BIOC	322 +11
Barclays Bank	468 +10
Barge	177 +17
Barr WAT A	75 +9
Beecham	253 +7
Breco	52 +21
British Land	89 +3
Cable Wireless	247 +7
Cubb	106 +6
Empire Stores	90 +12
Exco Int	212 +12
Fluo Art Davs	51 +4
Finlay (James)	104 +9
Fosco Minsep	207 +9
Gt Northern Inv	156 +6
Hawker Siddeley	350 +8
Holden (A.)	189 +5
Jarvis (J.)	278 +16
Leasey	17 +2
Martin (A.)	132 +10
Murhead	132 +2
Norfolk Cap	34 +4
Normand Elec	52 +11
RMC	229 +7
Royal Ins	363 +8
Thorn EMI	468 +11
Candeecca	206 +11
Cons Gold Fields	480 +10
Peko-Walshend	348 +6
KTZ	468 +13

FALLS

Wit Nigel	45 -14
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BUSINESS

Markets firmer; cash tin record

GILTS were firmer as optimism on interest rates revived. The Government Securities Index added 0.39 to 64.79. **Page 30**

EQUITIES improved following Wall Street's more stable trend. The FT 30-share index put on 7 to close at 578. **Page 30**

WALL STREET was down 4.19 at \$48.36 near the close. **Page 28**

TIN

Standard Grade
Cash Price

TIN cash price rose £230 in London to a record \$5,835 a tonne, raising fears that the move to set premium limits may have backfired. **Page 29**

DOLLAR rose to DM 2.359 (DM 2.35), Swf 1.995 (Swf 1.9825), Fr. 6.0075 (FFr 5.965) and ¥234.6 (¥233). Its trade-weighted index was 111.4 (111.1). **Page 24**

STERLING lost 35 points to 2,126 but rose to DM 4.3675 (DM 4.3625), Swf 1.995 (Swf 1.9825), Fr. 6.0075 (FFr 5.965) and ¥234.6 (¥233). Its trade-weighted index was 111.4 (111.1). **Page 24**

GOLD fell \$2.25 to \$378.25 in London. In New York the COMEX February close was \$379. **Page 24**

SAUDI ARABIAN oil output is reported to be below 8m barrels a day and slipping towards 7.5m b/d—the 1975 level. **Back Page**

BRITAIN last year produced for the first time more oil than it used. **Page 5**

TATE and Lyle and the German chemicals giant Hoechst agreed to set up a joint research project on biotechnology and carbohydrate chemistry. **Back Page**

BANKS now account for 98 per cent of new consumer credit business. **Page 7**

JAPAN should increase imports through its public sector to help defuse trade tensions with the West, said Trade Secretary John Biffen. **Page 4**

BELGIAN banks agreed with the Government to inject BFr 9bn (£120m) into state-owned steel group Cockerill-Sambre. **Page 2**

FOREIGN companies are expected to provide up to 50,000 jobs in Britain in the next three or four years, says the Industry Department. **NEDC reports, Page 7**

BRITISH SHIPBUILDERS may have to lay off nearly 3,000 workers in its warship division because of Government defence cuts. **Back Page**

LEYLAND VEHICLES failed to persuade unions to end a fortnight old strike over reorganisation plans. **Page 8**

GALLAHER, tobacco group owned by American Brands, announced taxable profits for 1981 of £30.4m (£30.1m). **Page 22**

P. C. HENDERSON, garage and industrial door maker, is the bidder for Normand Electrical. It is offering £4.9m. **Page 23**

Schmidt ties political future to approval of DM12.5bn jobs plan

By Jonathan Carr in Bonn

CHANCELLOR Helmut Schmidt of West Germany yesterday announced a DM 12.5bn (£2.85bn) programme to fight unemployment and tied his political future to his unorthodox acceptance of the measures.

At a packed Press conference in Bonn he said he had asked that a personal vote of confidence be held in the Bundestag, the Lower House of Parliament, in connection with the programme, which is to run to 1985.

The measures range from a special one-year investment grant to increased credit programmes for public institutions. Others aim to reduce youth unemployment in particular.

The Chancellor thought the Bundestag vote would probably be held tomorrow and said he was sure his position as Chancellor would be strengthened.

The announcement follows months of bickering, both within and between the Social Democrat (SPD) and Liberal Free Democrat (FDP) governing parties, most recently over the so-called "job creation" programme.

He is said to have decided to try to crush the opposition in his coalition ranks with this initiative. "After this vote, no one will any longer be able to claim that he is for the Chancellor, but not for his policies," an aide to Herr Schmidt said yesterday.

The Chancellor is clearly running some risk, but few members of any party felt it likely he would lose the vote. He requires a simple majority—249 votes—and the SPD-FDP have a Bundestag majority of more than 40 seats.

Herr Hans Dietrich Genscher, FDP chairman and Foreign Minister, said at the press conference he was urging all FDP parliamentarians to support Herr Schmidt.

The dramatic nature of Herr Schmidt's action tended to obscure the original purpose of the Press conference. This was to announce the steps against unemployment and the Government's economic projections for 1982.

The urgency of the unemployment problem was underlined by official confirmation that the jobless total rose to 1.95m—or 8.2 per cent of the dependent labour force—compared with 1.7m in December.

The key points made by the Chancellor were:

- New measures costing the public sector DM 12.5bn between 1982 and 1985 including:

France and Algeria sign big LNG supply contract

By Sue Cameron and Francis Ghiles

FRANCE yesterday signed one of the world's largest liquefied natural gas (LNG) contracts for the supply of 9.2bn cubic metres a year from Algeria.

The deal comes only 10 days after the French agreed to take 8bn cubic metres a year of natural gas from the Soviet Union.

The price agreed, which is the end of two years of bitter wrangling, will have important implications for the cost of Algerian gas supplies to Italy and Belgium. It could also encourage the Netherlands and West Germany to reopen gas supply negotiations with Algeria.

The price is believed to be \$5.10 per million British Thermal Units of gas. It will also be subject to a form of index-linking.

France will have to spend a further \$1 per million BTUs for the transport, insurance and regasification of the LNG. The contract runs for 20 years.

France is not expected to top up the price by putting extra money into an Algerian development fund—a scheme that originally seemed likely. But under a separate trading agreement, Algeria is to place FFr 12.5bn worth of contracts with French companies.

Since the end of 1979 Algeria has been demanding \$6.11—then the equivalent of the crude oil price—per m BTUs. Other members of the Organisation of Petroleum Exporting Countries have since endorsed the principle of crude oil parity pricing for gas.

The current gas equivalent of crude oil is \$6.61 after touching \$7.14 last year.

A number of Algeria's major customers, including the UK, the U.S.-based El Paso utility and the French Gaz de France, have refused to pay \$6.11.

El Paso and the British Gas Corporation have stopped taking LNG supplies from Algeria. Talks on gas supplies between Algeria and the Netherlands and West Germany have also been halted because of disagreement over price.

Talks between Sonatrach, the Algerian state gas company, and the French broke down so badly that Algeria temporarily stopped shipping contracted supplies to France.

Under two contracts signed in 1964 and 1972, Algeria has been supplying France with a total of 4bn cubic metres a year of gas. At the start of this year the French are thought to have been paying \$3.70 per million BTUs.

The \$5.10 per m BTUs price believed to have been agreed by France and Algeria is being seen as a compromise deal. But it is higher than the \$4.85 per m BTUs that France is thought to have agreed last week with the Soviet Union.

Now that France and Sonatrach have agreed a deal, negotiations between Algeria and Italy for delivery of 12bn cubic metres a year of gas are expected to begin in earnest.

A gas pipeline between Italy and Algeria was completed late last year. But the Italians have been waiting to see the outcome of the Franco-Algerian negotiations before starting to discuss gas prices themselves.

Garrard turntable plant closing

By Jason Crisp

PRODUCTION of Garrard record turntables is being transferred to the Amazon. The last 150 production workers at Garrard's plant at Swindon, Wilts, will be made redundant at the end of April.

Garrard told employees this week the move was the result of the depressed world market for hi-fi equipment.

The company's turntables will be made only by Gradiente, its Brazilian parent of two years' standing, at the Manaus free trade zone in the Amazon forest.

At its peak Garrard employed more than 4,000 people, mainly in Swindon, and made 2m turntables a year.

Yesterday the company estimated last year's sales at 50,000 20,000 less than had been hoped, despite the complete new range of products launched last summer. More than 80 per cent of the company's sales are for export.

Ironically most of those sales were to "original equipment manufacturers" to put in their own equipment, and would not bear the Garrard name.

The Garrard name was once one of the company's greatest strengths and allowed it to command a premium for cheaper turntables.

Gradiente bought Garrard from Plessey, the electronics company, in December 1979 for £1m. Plessey originally bought Garrard Engineering from Garrard, the Crown Jewellers, in 1960.

Ownership of the company became a major drain on Plessey's profits, losing it nearly £12m in the five years to 1979.

When Gradiente bought the company, 600 were still employed there. After a year the workforce was reduced in stages to 240.

After May 1 Garrard will still employ 60 people in the UK. In addition to sales, marketing and servicing the company will continue to do research and development and production engineering in the UK.

Gradiente, which employs more than 6,000 worldwide and has factories in Sao Paulo as well as Manaus, bought Garrard for its engineering and its name as a way to gain a foothold in the European market.

The company was founded as a maker of hi-fi equipment in the mid-1960s. It has a major share of the Brazilian market and has diversified into making telephones.

The world audio market has been depressed for several years.

In addition to the recession, it suffered from the boom in video products, diverting money which could have been spent on hi-fi equipment.

Barclays issues record stock

By William Hall, Banking Correspondent

BARCLAYS, Britain's biggest bank, is raising £100m through placing of a 25-year unsecured loan stock bearing a 16 per cent coupon, at par.

It is the largest straight fixed interest stock issued by a commercial UK borrower in the domestic market, and is the first major commercial fixed-rate domestic debt issue for several years.

Barclays said the funds had not been earmarked for any purpose and would be used to expand the group's business and diversify its mainly dollar sources of loan capital.

Mr Frank Dolling, a vice-chairman of Barclays, said yesterday the group's assets and liabilities had grown "very considerably" in 1981, and there was a need to keep the group's capital base relatively strong.

He would not quantify the growth but analysts believe the total assets may have grown about a third to nearly £50bn last year.

The strength of the group's balance sheet has been affected by the decline in sterling relative to the dollar and the imposition of the Government's one-off windfall profits tax in the 1981 Budget, which cost Barclays £95m.

A £25 call on the £100m issue of unsecured capital loan stock 2002-07 is payable on February 9 and the balance on April 30.

Mr Dolling said that Barclays' decision to pay a 16 per cent coupon in no way reflected the group's view about interest rates over the next 25 years.

Barclays has a market capitalisation of just over £1.3bn, whereas group shareholders' funds total about £2bn. Barclays is the first major UK corporate borrower to tap the fixed rate domestic market for several years.

Barclays' share price rose 10p to 468p yesterday.

The placing was arranged by Barclays Merchant Bank, Pender and Boyle and Cazenove and Co are brokers to the issue. The Alliance Assurance Co is trustee of the stock. Interest will be paid half-yearly on May 15 and November 15.

Lex, Back Page

Banks' share of personal loan business soars **Page 7**

£ in New York

	Feb. 2	previous
Spot	\$1.2595-9610	\$1.2590-9590
1 month	0.17-0.21 pm	0.16-0.21 pm
3 months	0.70-0.75 pm	0.68-0.57 pm
18 months	2.05-8.20 pm	2.25-2.50 pm

Inquiry adjourns to make fresh request to Aslef

By Brian Groom, Labour Staff

THE INDEPENDENT inquiry into British Rail's pay and productivity dispute was adjourned yesterday so that another request could be made to the Associated Society of Locomotive Engineers and Firemen to join it.

The Aslef executive is likely to discuss the request today. It was uncertain last night, however, whether the union could be persuaded to change its mind.

British Rail's attempt to run a skeleton passenger service yesterday between Aylesbury, Bucks and London's Marylebone station, using drivers from the National Union of Railwaymen, failed when two drivers did not cross an Aslef picket line at Aylesbury and two more reported sick.

The new approach to Aslef is understood to have been agreed in discussions involving Mr Pat Lowry, chairman of the Advisory, Conciliation and Arbitration Service, which set up the inquiry, Lord McCarthy, the inquiry's chairman, and Mr Len Murray, TUC general secretary. All were at Acas headquarters yesterday.

Leaders of British Rail, the NUR and the white-collar Transport Salaried Staffs Association—all have agreed to the inquiry—arrived for a private, preliminary session, but did not begin giving evidence.

The fresh appeal to Aslef casts further uncertainty over the outcome of a BR Board meeting, scheduled to begin at 10 am this morning.

Faced with Aslef's refusal to co-operate with the inquiry and its decision to increase disruption by striking on Tuesday and Thursday next week, instead of Wednesday and Thursday, the board was thought likely to take further tough measures. But it was not clear whether it wants to raise the temperature in the dispute before the initiative's result is known.

Aslef has already objected to the inquiry's terms of reference. These mention flexible work rostering—the productivity issue at the heart of the dispute—as well as the disputed 3 per cent of last year's two-stage 11 per cent pay deal.

A full report on the rail dispute is to go before the Cabinet today. The Government has avoided intervening, although Mr David Howell, Transport Secretary, has attacked Aslef's strikes. More of these will take place today, and on Sunday, Tuesday and Thursday.

Aslef pickets, in addition to preventing the ten passenger trains between Aylesbury and Marylebone from running yesterday, have almost halted the skeleton freight service of 20 or 30 trains on strike days which BR was achieving with NUR drivers. Yesterday no more than about three freight trains ran.

BR officials said publicity was to blame for the failure to run the Aylesbury service. Four NUR drivers are rostered to work there today, but in view of yesterday's events it appears unlikely that a service will run. New management posts at BR, **Page 6**

London Transport and BR urge joint authority for capital, **Page 8**

Feature, **Page 20**

Government set to keep inflation proof pensions

By Peter Riddell, Political Editor

THE GOVERNMENT is likely to indicate in the Commons tomorrow that the principle of inflation proofing public sector pensions will not be reversed.

The Cabinet has not, however, decided how to reduce the cost to the Treasury of public service pensions, though proposals for increasing contributions are being considered to save £500m to £600m.

Ministers recognise that ending the index linking of pensions would provoke a political storm as 10m people, including existing pensioners, would be affected. This group covers civil servants, the police, armed forces, nurses and teachers.

Mr Barney Hayhoe, the Treasury Minister of State responsible for the Civil Service, is expected to provide a public reassurance to them on the continuance of inflation proofing. But he is unlikely to give any indication of what the Government will do on the contributions side. The comments are likely to come in a short adjournment debate on index linked pensions initiated by Mr Robert McCrindle, Tory MP for Brentwood and Ongar.

There has been strong pressure from Tory backbenchers to end index linked pensions. Continued on **Back Page** FT pensions conference, **Page 6**

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EUROPEAN NEWS

Banks agree to bail out Belgian steel company

BY GILES MERRITT IN BRUSSELS

A FINANCIAL deal that guarantees the immediate needs of Belgium's Cockerill-Sambre steelmaking giant was agreed yesterday between the Government and a consortium of 22 banks.

The steel-funding deal comes in the wake of Parliament approving special economic powers for the Government and almost on the eve of next Monday's 24-hour general strike, called by Belgium's Socialist unions, which could disrupt the steelmaking region of Wallonia in particular.

The financial protocol signed yesterday between the Government and the Societe Generale de Banque, Banque Bruxelles Lambert, Kredietbank and Paribas on behalf of the consortium does not refer, either, to the structural conditions, such as redundancies and wage restraint at Cockerill-Sambre for which the banks had been pressing.

UK urges EEC to resolve budget crisis

BY JOHN WYLES IN BRUSSELS

THE BRITISH Government is putting pressure on the European Commission to help defuse the looming crisis over the UK's demand for a new, long-term reduction in its payments to the Community Budget.



Lord Carrington: seeking solution before summit

Alarmed at the impression that the British are engineering a deliberate confrontation, Lord Carrington, the UK Foreign Secretary, is pushing for fresh efforts by the Ten to reach agreements at or before the EEC summit in Brussels at the end of March.

He has sent letters this week to M Gaston Thorn, the Commission President and Mr Leo Tindemans, the Belgian Foreign Minister, currently president of the Council of Ministers, urging them to prepare the ground for detailed negotiations over the next few weeks.

Lord Carrington wants these negotiations to deal with both the method and the amount by which the UK's payments to Brussels should be reduced over the next four to five years. In effect, he is seeking a formal agreement for the negotiations which ended suddenly on January 25 and which were concerned only with guidelines for settling the British problem.

Martens decrees package to boost jobs

BY LARRY KLINGER IN BRUSSELS

THE BELGIAN Government of Mr Wilfried Martens yesterday took immediate advantage of its newly-won special parliamentary powers by introducing measures aimed at boosting employment—particularly in the construction industry—and increasing state revenues through tax incentives.

It held back, however, from unveiling its controversial plans to limit wage rises and cut public spending until after promised consultations with the trade unions next week.

The special powers effectively allow the new Centre-Right Government to bring in by decree measures aimed at reviving the economy. The measures introduced yesterday include:

• A two-year reduction in value added tax (VAT) in the construction industry, from 17 to 6 per cent, for the building of new houses and modernisation of existing homes.

Brezhnev accuses U.S. of obstruction

By David Satter in Moscow

THE Soviet President, Mr Leonid Brezhnev, yesterday accused the United States of adopting an obstructive position at nuclear missile talks in Geneva and called for agreement on a two-thirds reduction in medium-range missiles by 1990.

The Soviet news agency, Tass, reported that Mr Brezhnev, in a meeting with representatives of the Socialist International, also rejected President Ronald Reagan's policy of linking progress in arms control to other aspects of U.S. Soviet relations.

He repeated earlier calls for a moratorium on further missile deployment and for the first time offered in public a proposal for a timetable for cuts in missile stockpiles.

"It would be possible, for instance, to cut the present amount of medium-range armaments by each side to one third or less by 1990," he said.

His proposal presumed, as previous Soviet suggestions have done, that there is now a balance of nuclear power in Europe and, therefore, it was likely to be treated as a propaganda ploy in the West.

The U.S. has insisted that the introduction by the Soviet Union of 150 highly accurate SS-20 missiles, each of which has multiple warheads which are targeted on European cities, has upset seriously the theatre balance of power.

Mr Brezhnev said the U.S. had inspired a "certain wariness" in the Soviet Union during the talks because of the "obvious reluctance" of the American side to look for ways to find a "mutually acceptable agreement."

In a possible sign that the Soviet Union is experiencing bread shortages in some provincial areas, the authorities yesterday warned farmers that they could be jailed for using bread to feed privately owned livestock.

The Communist Party newspaper, Pravda, said police had been ordered to crack down on the practice which is widespread, although illegal, and the courts will impose fines on sales staff in food stores who sell bread for animal feed.

The Soviet Union is facing serious feed shortages in the wake of its third consecutive poor grain harvest, and bread, which is produced in relatively large quantities and sold at artificially low prices, is a frequent substitute for feed, particularly for pigs.

Pravda listed a series of cases in which farmers had been heavily fined and had the animals which they raised on private plots confiscated in retaliation for the "sawandering of bread products." The newspaper also said that some sales staff had made hundreds of roubles through illegal sales.

Christopher Boblinski and David Buchan on Poland's Politburo Party power struggle worsens

THE QUESTION most often asked about Poland is, of course, when will martial law end? General Wojciech Jaruzelski has said that many of the military restrictions might be lifted by the end of this month. But, with equal force, he has warned that army rule could stay for much longer.

One factor in the calculations by the ruling Military Council of National Salvation is obviously the state of calm it can enforce in Poland. Another is the progress of the military's "economic reforms," of which this week's sweeping food price increases are only supposed to be a part.

But an all-important third consideration is when and whether Poland's depleted and demoralised Communist Party can get its act together again to take over from the army. So far, the question of whether the party can regain the minimum of social confidence needed to run the country, without the crutch of army support, is still unanswered.

Power, since the introduction of martial law on December 13, no longer lies with the Politburo. Formal decisions are taken by the Military Council, although the Government, with predominantly civilian ministers, has a great deal of influence simply because of its experience in running the country. Gen Jaruzelski heads both.

The inner circle of decision makers includes General Florian Siwicki, the de facto Minister of Defence, General Kiszczak, the Interior Minister, Mr Mieczyslaw Rakowski, the deputy premier who has played a major role in presenting the Polish authorities' case to the world, and Mr Janusz Ohodowski, in



Gen Jaruzelski (left): believed to favour a return to normal conditions as soon as possible. Mr Barcikowski (right): a key moderate and effectively head of the party.

charge of the economy. Only Mr Stefan Olszowski, Kazimierz Barcikowski and Miroslaw Milewski are left at the top table to represent the Politburo. The Communist Party's political clout is further weakened by internal power struggles, which have grown fiercer enough to surface in the press. Mr Albin Siwak, a former building worker and now Politburo "hard hat" has emerged as chief spokesman for the party's conservative wing, calling for a thorough purge of "those who wanted to capitulate to the enemies of socialism" in the period between the Gdansk Agreement of August 1980 and the military clampdown.

A senior government official clearly had men like Mr Siwak in mind, when he told a reporter, recently, that "the people who've been running this country since the war got the fright of their lives with

the rise of Solidarity. They sat there biting their nails in the months since August 1980. Now they want to get their own back."

Before Gen Jaruzelski clamped down, the fight inside the party was between those who wanted some kind of agreement with Solidarity, and those who sought confrontation. Now, the debate has shifted to how far repression is to go, and what road the authorities should take to return the country to more or less normal rule by the party.

In spite of his ambiguous statement last month on the future course of martial law, Gen Jaruzelski by most accounts still favours a return to normal conditions as soon as possible. Since, for the moment, his personal position is unassailable, the conservatives appear to be devoting their efforts to unseating the moderates around him. A key moderate is Mr Barcikowski, effectively head of the party now that Gen Jaruzelski, who became party First Secretary last October, has gone on duties.

An open clash between moderates and conservatives could come with the meeting of the party central committee in the early this month. In recent weeks, the party bosses have been able to run their show without regard for the rank and file, under a special "instruction" issued just before martial law.

This allows the Politburo, for example, to appoint a new provincial First Secretary without election by provincial delegates. One problem which Gen Jaruzelski still faces is that supporting the political wing for the country's crisis. He has interned the leading figures of the 1970s, including Mr Edward Giersek, the former party chief and Mr Piotr Jaroszewicz, the former prime minister.

However, there is still a wide spread feeling in the party that these former leaders should be tried—so some form of retribution may have to be exacted. The party as a whole still has a measure of political roots organisation, although it is impossible to say how many have defected. Party officials in Warsaw in the situation among the troops is "very worrying" comment which reflects a high number of academics and journalists who jumped party fences in protest against martial law.

Polish provincial leaders lose their posts

BY OUR FOREIGN STAFF

SIX OUT OF Poland's 49 provincial governors have been sacked since martial law was declared, along with 14 deputy governors and 160 mayors and commune heads, according to the Polish news agency PAP.

Official figures reveal that the continuing purge within the Communist party has meant that 760 senior officials have lost their jobs. PAP said they had been sacked following "verification" of the process whereby loyalty to the system is tested.

The agency also reported that the regime is considering a revision of government employment policy along army lines. Staff in state administration may be subject to annual review and competition for posts may be instituted. Many of the dismissed governors have been replaced by army officers.

Meanwhile, the military government is expressing satisfaction that the massive price rises for food and essential services have not provoked "any protests or disorder." According to the government spokesman, Mr Jerzy Urban, "nothing spectacular is happening." He denied reports of stoppages in the industrial city of Lodz in Wroclaw, and the Ursus tractor factory outside

Poles urged to persevere in face of martial law

BY OUR FOREIGN STAFF

POPE JOHN PAUL yesterday issued a call deploring lost freedoms in Poland and urging Poles to persevere in the face of martial law. The call came on the eve of his first meeting in Rome with the Polish church leadership since the military took over in Poland, writes our Foreign Staff.

Archbishop Josef Glemp, the Polish primate, is due to arrive in Rome today at the head of a delegation of bishops, and is expected to give the Pope an account of his meetings with General Wojciech Jaruzelski and with Mr Lech Walesa, the Solidarity leader.

The Church, enormously influential in Poland, is considered the institution best placed to effect any reconciliation between the military Government and Solidarity, some of whose leaders escaped detention and are continuing underground opposition to martial law.

Warsaw. But he admitted that the price rises had "evoked discontent among the workers" at the Ursus factory. He also conceded there had been "kind of youthful protests" by students at the Wroclaw Polytechnic and that "anti-state slogans" had been shouted. But it was not a "serious disturbance."

Polish provincial leaders lose their posts

BY OUR FOREIGN STAFF

SIX OUT OF Poland's 49 provincial governors have been sacked since martial law was declared, along with 14 deputy governors and 160 mayors and commune heads, according to the Polish news agency PAP.

Official figures reveal that the continuing purge within the Communist party has meant that 760 senior officials have lost their jobs. PAP said they had been sacked following "verification" of the process whereby loyalty to the system is tested.

The agency also reported that the regime is considering a revision of government employment policy along army lines. Staff in state administration may be subject to annual review and competition for posts may be instituted. Many of the dismissed governors have been replaced by army officers.

Meanwhile, the military government is expressing satisfaction that the massive price rises for food and essential services have not provoked "any protests or disorder." According to the government spokesman, Mr Jerzy Urban, "nothing spectacular is happening." He denied reports of stoppages in the industrial city of Lodz in Wroclaw, and the Ursus tractor factory outside

headquarters with stones and molotov cocktails, setting it on fire. Police had to use tear gas water cannon and batons to clear the streets. Of the 50 people arrested, the news agency said 36 were still at school, 14 were students.

Addressing himself to economic problems, Mr Urban, sitting alongside Mr Jerzy Wojcik, the Farm Minister, said: "U.S. sanctions will hurt population and not the Gospel." U.S. action would cost the loss of 350,000 tonnes of poultry meat.

Mr Wojcik warned that authorities could be forced to introduce compulsory purchase of grain from private farms who have been withholding grain from the official state market.

The Communist party newspaper has admitted that so many sectors of industry are at less than half capacity because of the hard-currency shortage. "In the first quarter of 1982, the tyre industry will use only 50 per cent of its production capacity, the fur and leather industry only 30 per cent, some other branches of manufacturing still less," it reported.

Bonn unveils 'projections'

BY JONATHAN CARR IN BONN

THE West German Government rarely enjoys producing its annual economic report, a task to which it is committed by a law on "stability and growth" dating from 1967. Above all, it hates having its "projections" for the year being described as firm "forecasts." Knowing quite well that the unexpected—quite from a big surge in U.S. interest rates to a boost in the oil price—can play havoc with the data.

The accompanying table shows what the Government expected for 1981, what actually happened, and what Bonn "projects" for 1982. As it turned out, Gross National Product did not contract in real terms last year as much as the Government feared it might.

The main reason was the unexpected strength of foreign demand for West German goods, which helped boost the "external component" figure well beyond the projection. At the same time, the Government underestimated the rise in consumer prices, not least because of the fall of the Deutsche Mark—especially against the U.S. dollar in the first part of the year—meant an increase in imported inflation.

The 1982 projections are based on the assumption that foreign demand will continue strong, that the Deutsche Mark should strengthen and the inflation rate therefore tend to fall. A heavy question mark should, as usual, be added.

WEST GERMAN ECONOMIC DEVELOPMENT

Table with 4 columns: Indicator, 1981, 1981, 1982. Rows include GNP (real terms), Consumer prices, Fixed asset investment (nominal), Gross pay per employee, Unemployment, External component (DMbn).

Source: Bonn Government Economic Reports for 1981 and 1982. * Government 1981 expectations in January last year. † Actual economic development in 1981 (preliminary official figures). ‡ Government 1982 expectations. § Unemployed as percentage of dependent labour force. ¶ Balance of goods and services transactions with rest of world.

Payments deficit narrows

BY STEWART FLEMING IN FRANKFURT

THE DEFICIT in the current and capital accounts of the West German balance of payments fell sharply in 1981 to DM 2.3bn (£526m) after the record DM 27.9bn (£6.38bn) reported in 1980, the Bundesbank said yesterday.

In December, too, the overall balance of payments deficit fell heavily from DM 3.8bn (£869m) a year earlier to DM 0.9bn (£205m). On the long-term capital account in December

there were net inflows into the country, but the short-term capital flows again reversed producing net capital exports of DM 844 (£1.8bn) in the month. The Bundesbank also released seasonally adjusted current account figures which showed a surplus in December of over DM 2bn (£457m) which compared with a seasonally adjusted average surplus of DM 0.5bn (£114m) in the previous two months.

Unemployed treble in Austria

BY PAUL LENDRAL IN VIENNA

THE NUMBER of unemployed in Austria stood at 153,662 at the end of January against only 50,851 a year earlier, a dramatic indication of the way the economy has deteriorated. The figure is the highest in almost 20 years and represents an unemployment rate of 5.4 per cent.

In a country which has enjoyed full employment for many years such figures have made front page headlines. Herr Alfred Döllinger, the Minister of Social Affairs, has admitted that the increase has been greater than expected.

The rise of unemployment in the crucial construction sector—by 20,432 to 53,042 over the year—has clearly played an important role. According to Herr Döllinger only the March results will show whether a new upswing in construction can reverse the trend.

The Federation of Austrian Industrialists, meanwhile, has published an opinion survey showing that 61 per cent of 134 companies questioned do not intend to replace employees lost through natural wastage.

FT writer shares award

MR Charles Batchelor, Amsterdam Correspondent of the Financial Times, is one of three journalists to share the 1980 Rotterdam International Press Award, to be presented later this month by the city's Chamber of Commerce and Industry.

Arms shipment dispute

BY PAUL LENDRAL IN VIENNA

THE U.S. has requested permission for a second munitions shipment through the Netherlands despite repeated bomb threats and blockades against the first transport since the month of February reports from the Hague. Mr Ed van Thijn, Interior Minister, said in a letter to Parliament that the Government would make a decision on the request shortly but that security concerns should not be allowed to force the Government into barring future transports.

The first clue that organised opposition was emerging to the party's attacks on the Soviet model of Communism came in a note published in the Sunday edition of L'Unita, the Communist newspaper.

The article was not signed, but emanated almost certainly from Sig Enrico Berlinguer, the PCI secretary. It spoke of the "passionate debate" throughout the party over its stand on Poland—seen widely as tantamount to a break with Moscow.

But it warned readers to reject overtures from a "small group" preparing action "in defiance of the statutory and moral rules" of the Communist Party. There was ample scope, it said, for democratic discussion within the PCI's structure. The identity of the grouping

Italian Communist leaders move to stamp out dissent

BY RUPERT CORNWELL IN ROME

THE ITALIAN Communist leadership has moved to beat off the first signs of grassroots dissent over its rift with Moscow following the Polish take-over.

The first clue that organised opposition was emerging to the party's attacks on the Soviet model of Communism came in a note published in the Sunday edition of L'Unita, the Communist newspaper.

Strikes follow cut in French working hours

BY TERRY DODSWORTH IN PARIS

STRIKES in both the public and private sectors intensified throughout France yesterday as unions sought to wring maximum advantage from the newly-introduced reduction in the legal working week.

The rash of disputes, by far the most widespread bout of industrial trouble since the Socialist Government was elected last summer, reflects serious divergencies between the unions and industry on how the new decree should be interpreted.

The disagreements have already led to big delays at French airports and frontier posts, where customs officials have been working to rule, and are threatening to paralyse traffic today with an all-out strike.

Essentially designed as a job-creating measure, the decree brings the working week down from 40 hours to 39, but allows employers to offset the possible loss of productivity by rearranging work time. There is no specific protection for exactly maintaining existing incomes except for workers on or near the minimum wage.

While workers and employers have agreed on how to apply these regulations in several industries, unions claim that many companies are making up for the reduction in working time by undercutting their acquired rights.

In the customs sector, for example, the management is insisting on a strict application of the 39 hours, while the union wants to retain concessions for meal and travel time currently included in the working agreement. Other companies are reducing wages marginally, while some are maintaining the existing 40-hour week and paying the extra hour as overtime—a move

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OVERSEAS NEWS

South African security law report unveiled

BY J. D. F. JONES IN CAPE TOWN

THE SOUTH AFRICAN Government yesterday gave a blueprint for a new generation of security legislation to be applied by an extra Ministry of Law and Order.

The report of the Rabie Commission on security legislation tabled in Parliament here yesterday makes wide-ranging recommendations, both for new programmes on the much-criticised administration of the existing security laws, and for additional powers.

The Government has not yet said whether it will accept and legislate for the Rabie recommendations, but the Justice Minister, Mr. H. J. Coetsee, indicated earlier this week that the Government's attitude would probably be decided later this session.

The Commission states that the security laws in South Africa are such that the present law authorising "the prohibition of certain gatherings, the preventive detention of persons, the imposition of certain restrictions on the movements of persons, the declaration of organisations to be unlawful, and the prohibition of publications" are still essential.

Detention without trial for interrogation, the report says, must be retained although this is a very drastic measure and should not be used to retain it without compelling reasons.

However, the Commission, apparently responding to widespread criticism both at home and abroad, proposes a number of new procedures to control the application of these draconian powers, such as:

- Fortnightly visits to detainees by a district surgeon and a magistrate;
- The appointment of an

- Inspector of Detainees;
 - A Board of Review of Detentions, plus a further appeal to the Chief Justice;
 - A six-monthly review of detentions;
 - An Advisory Committee on the prohibition of organisations or publications.
- These review mechanisms would be administered by the

Sabotage trial

Mr Louis le Grange, Minister of Police, told Parliament yesterday that investigations into recent sabotage incidents in South Africa could lead to "a very important trial" later this year. J. D. F. Jones writes from Cape Town.

Justice Minister, while the security laws would be administered by a new Ministry of Law and Order which would have two separate wings, the South African police and a Directorate of Internal Security. (The former secret police, Boss, now called the National Intelligence Service, would apparently remain under the Prime Minister.)

In contrast to these apparent concessions to critics of the present security apparatus, the Rabie Commission also suggests:

- A new short-term detention facility of two to 14 days for people whose arrest would cause disturbances at an early stage;
- A new Intimidation Act;
- A revised Official Secrets Act and a revised definition of "communism".

This is the second of three major Commissions of Inquiry whose reports have been prepared for the present Parliamentary session. The Steyn Commission on the mass media reported earlier this week.

Reformers and old guard are split on army reorganisation, writes Tony Walker, in Peking Modernise or die, urges China's military chief

CHINA'S TOP General has urged a sharp change in direction for the largely peasant Chinese army to transform it into a modern fighting force.

General Yang Deshi, Chief of Staff of the People's Liberation Army, wants a better trained and organised force to combat what he described as a "well trained and powerful enemy."

Gen. Yang's remarks, to a closed conference of senior military planners within the past few weeks, were virtually an admission that China's army of about 4m—the largest in the world—lacks direction as a result of chaotic leadership in the past several decades.

"If we fail to upgrade the organisation and discipline of the armed forces, we will not be able to engage an enemy in modern warfare and may have to pay a much higher price in the event of an emergency," he said.

Gen. Yang's statement is seen in Peking as a clear message to the old-style Generals that their traditional ideas of revolutionary guerrilla warfare, which have formed the basis of Chinese military strategy in the past, need to be overhauled completely.

However, modernisers in China's military, such as Gen. Yang, have almost certainly run



The Liberation Army has fallen behind the times, says General Yang

into opposition from the old guard to their efforts to develop a more professional army.

The apparent failure of top Generals to agree on the restoration of ranks abolished during the cultural revolution is an indication of continued wrangling over attempts to upgrade the military.

"We are faced with a highly modernised and well trained powerful enemy," Gen. Yang reportedly said. "To deal with such an enemy, we need not only high morale but also exper-

ience in using modern weapons in any tactical or strategic operation in perfect co-ordination with other branches of the armed forces."

Observers consider it significant that in his speech—published in the English language China Daily—Gen. Yang referred to efforts by the late Marshal Peng Dehuai, one of China's top military commanders during the revolution, to re-organise the Chinese army during the 1950s.

Marshal Peng fell out badly

with late Chairman Mao Tse-tung on this and other issues. He was purged in the late 1950s, allowing Marshal Lin Biao, a Mao protégé, to take over. Marshal Lin put an end to modernise the military, emphasising instead the Maoist guerrilla strategies which had proved effective during the revolution more than 30 years ago.

General Yang, a protégé of Marshal Peng, now appears intent on implementing some of

his mentor's ideas, such as the establishment of advanced military academies to train bright young soldiers to lead a modernised defence force.

General Yang, in his remarks to the military planners' conference, recalled that Marshal Lin had described the upgrading of the army as "bourgeois militarism," and that plans made in the 1950s to streamline the armed forces had been scrapped in the Cultural Revolution. As a result, he said, army discipline had been disrupted.

China's military weaknesses, particularly logistical problems and poor leadership, were exposed during the brief war with Vietnam in 1979.

China's so-called counter-attack in self defence against the Vietnamese reportedly resulted in the deaths of 20,000 Chinese soldiers and the loss of a considerable amount of military equipment. As a result of poor communications at the front, the performance of front-line troops was sluggish.

The Chinese have been attempting to overcome problems like those exposed in Vietnam. Defence exercises have been held over the past six months, culminating in a fairly large-scale exercise over Peking late last year.

Other top military men have also made statements recently

about the need for an upgraded fighting force, among them Gen. Zhang Zhen, a deputy chief of the general staff. Gen. Zhang was quoted recently as having urged improved training methods for officers, better co-ordination between the various services, and the need for more emphasis on anti-tank warfare.

Modernisers in the military have the backing of Deng Xiaoping, the powerful Party vice-chairman, in their efforts to streamline and upgrade the army. Mr. Deng became chairman of the army's Military Affairs Commission in the middle of last year, a position of great military and political influence.

It has been noticeable that since Mr. Deng's appointment to the commission, grumbling which was most apparent in the early part of last year, at least among the old guard, has receded.

However, while the military command may be able to do something relatively quickly about the army's organisation problems, it faces an uphill struggle in providing equipment for a modern force. China, as Western military experts frequently point out, simply does not have the money to make much impression on the vast technology gap between it and the Soviet Union.

China asked to hold talks on Kampuchea

BANGKOK—Thailand said yesterday it had requested China to stage a meeting between the three resistance groups fighting Vietnamese troops in Kampuchea. Gen. Yang Deshi, Chief of Staff of the former Khmer Rouge Government in Kampuchea, have already rejected co-operation with the two other groups.

The Thai Foreign Minister, Mr. Siddhi Savetsila, said his government had asked China, which backs the Khmer Rouge, to try to organise a meeting between them in Peking.

He spoke as Lord Carrington, the British Foreign Secretary, arrived in Bangkok for talks with the Government following fresh fighting between the Khmer Rouge and Vietnamese forces.

The idea of co-operation between the Khmer Rouge and the non-Communist resistance organisations has been promoted by the Association of Southeast Asian States (Asean) which groups Malaysia, Thailand, Singapore, Indonesia and the Philippines.

The Khmer Rouge refusal to co-operate has upset Asean unity. Malaysia said yesterday it might withdraw recognition from the group.

Enlita Tagaza adds from Manila: General Carlos Romulo, the Philippines Foreign Minister, said yesterday that he would consult his Malaysian counterpart Mr. Ghazali Shafie, per Tuesday's statement by Dr. Mahathir Mohamed, the Malaysian Prime Minister. The Philippines would continue to recognise the Khmer Rouge, he said. General Romulo added that bilateral talks amongst the Asean Foreign Ministers are going on and that the Singapore Foreign Minister Mr. S. Jayaratne is due in Manila shortly to discuss the issue.

Egypt-Libya border to stay closed

By Anthony McDermott in Cairo. THE EGYPTIAN Government has made it clear that the closure of the Libyan border on Monday was only temporary and did not mark a political rapprochement between the two countries.

The border was closed four years ago. Relations with Libya, one of the leading critics of Egypt's peace treaty with Israel, had been extremely tense even before the closure.

Last Monday 27 Egyptian teachers working in Libya and their families passed through. But an official Cabinet spokesman was quoted yesterday as saying that this group was permitted to pass for humanitarian reasons.

Mr. Kamal Hassan Ali, the Foreign Minister, was quoted by the official Middle East News Agency in Paris as saying that the border was closed and that no arrangements had been made with Libya for reopening it.

At the same time, the Tourism Ministry has announced that citizens of Arab countries would be permitted to obtain visas at Egyptian air and sea ports.

Zimbabwe law chief resigns

ILLNESS and the desire for African advancement were yesterday cited by Prime Minister Robert Mugabe as the reason for the premature retirement of Mr. Brendan Tracey, Zimbabwe's Attorney-General, our Salisbury Correspondent writes. Mr. Tracey, aged 57, said he had been invited to take premature retirement, and would be leaving the country.

Indian Marxists move towards Moscow

BY K. K. SHARMA IN NEW DELHI

THE COMMUNIST PARTY of India has abandoned its independent position and declared its support for the Soviet Union. This surprise move is expected to have repercussions on Indian politics and greatly strengthen Prime Minister Indira Gandhi.

The Marxists have been the only Opposition Party which was effectively organised and in position to challenge Mrs. Gandhi, especially as they had declared themselves independent of both Russia and China. The shift towards Russia was made at the Marxist congress held last week in the southern state of Andhra.

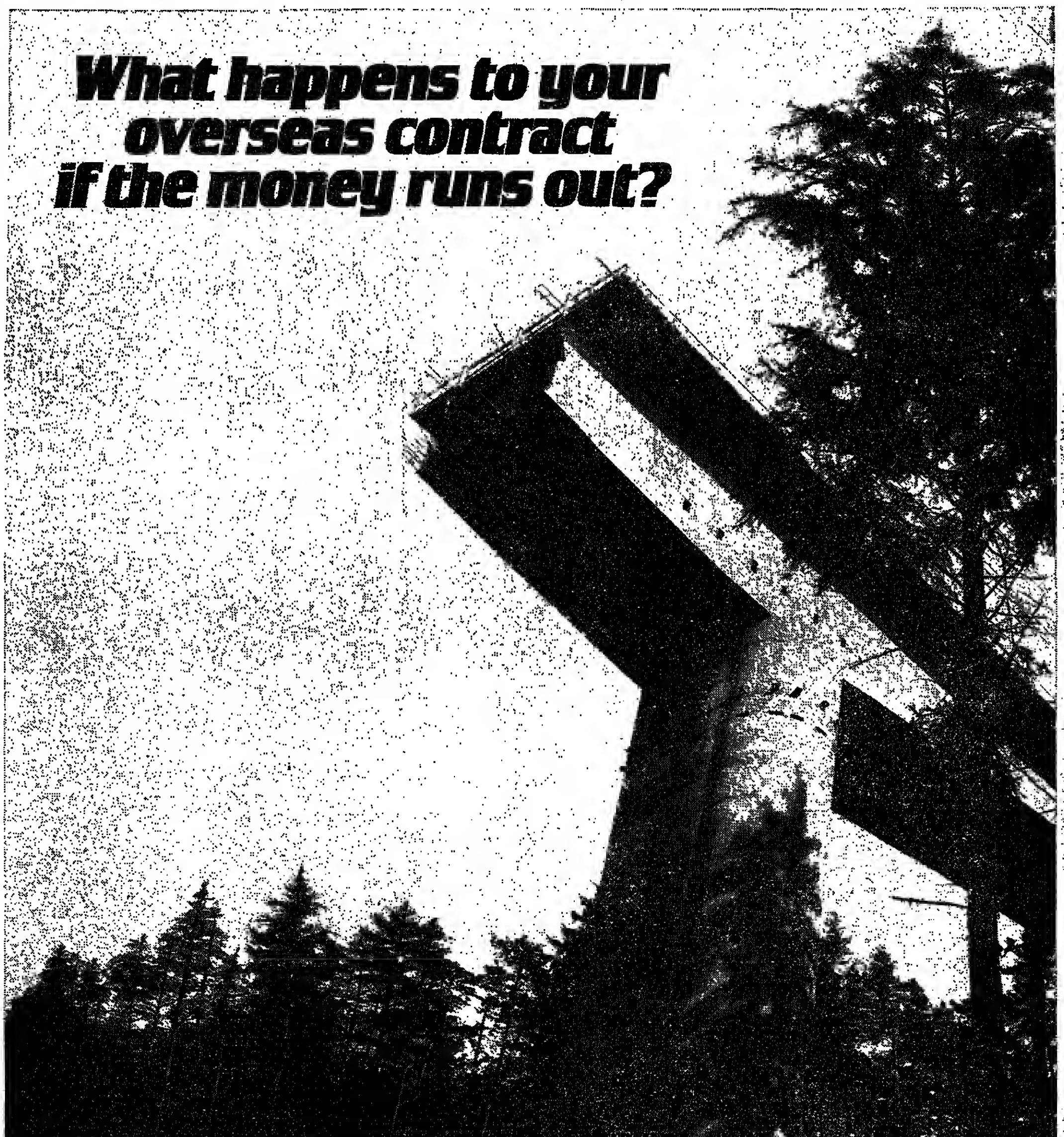
Marxists hold power in the eastern states of West Bengal and Tripura and are strongly entrenched in the southern state of Kerala, where a coalition led by them recently resigned. They planned to extend their influence by taking advantage of the sharp divisions among the non-Communist Opposition parties and by offer-

ing themselves as the only viable alternative to Mrs. Gandhi.

This aim is expected to change now that the Marxists have moved towards the Russian camp. Mrs. Gandhi signed a treaty of friendship and co-operation with Moscow in 1971 and she is strongly backed by the Russian leadership, which has directed the official Communist Party of India from which the Marxists broke away some years ago—to support her.

The Marxists could now also be told to ease their pressure on Mrs. Gandhi domestically, and even to support her. However, it is not yet clear whether they will merge with the official Communist Party.

Elections are due to be held later this year in West Bengal, where the Marxists form the Government. Mrs. Gandhi wants the elections postponed because her followers are disorganised and cannot hope to challenge the Marxists.



What happens to your overseas contract if the money runs out?

In many overseas markets public and private capital expenditure is being cut back.

And where the axe falls on a project such as a highway or an airport, it could easily mean financial hardship for several companies along the line. Including some of our exporters.

This 'domino effect' may not yet have made your own exports any less profitable. But it is one more way in which exporting is becoming more of a risky business, where no-one can take payment for granted.

Today, the Export Credits Guarantee Department is paying out more and more on bad debts, not only from politically shaky countries, but from traditionally stable ones as well.

Recently a British engineering firm supplied construction equipment to a customer in the Middle East.

But the customer fell victim to circumstance since the orders for the plant he had received were suddenly cancelled. This meant that he in turn had to let down his own suppliers when payment fell due.

Fortunately, the British firm had covered itself with ECGD, and was reimbursed to the tune of 90% of its losses.

ECGD offers a full credit insurance service which covers you for non-payment on exports of goods or services, worldwide — no matter whether it's the customer or the country that fails.

But this is by no means the Department's only service to exporters.

For example, ECGD can also open up sources of cheap export finance, by giving cover direct to a financing bank.

If you're exporting anywhere in the world, however safe it may seem, you should at least find out what ECGD has to offer.

Call Joan Swails on 01-606 6699, or contact one of our regional offices in Glasgow, Manchester, Belfast, Birmingham, Leeds, Cambridge, Bristol, Croydon or City of London.

Because if the worst ever comes to the worst, why should you end up paying for your own exports?

ECGD
EXPORT WITH CONFIDENCE.

AMERICAN NEWS

Kodak launches disc photography

BY PAUL BETTS IN NEW YORK

EASTMAN KODAK, the world's largest photographic company, yesterday launched a new line which it describes as "decision-free disc photography."

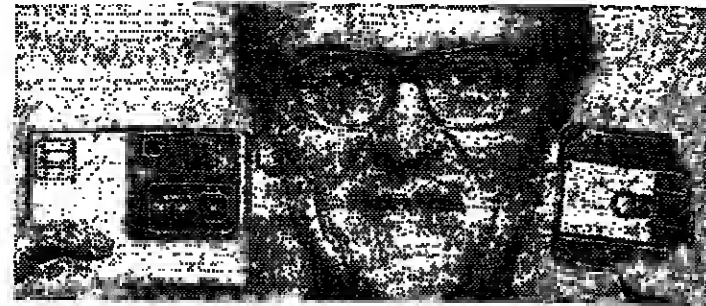
Mr Walter Fallon, chairman of Kodak, unveiled a pocket-size camera similar to a calculator or small tape recorder using a novel rotating disc of film which, he claimed, was "the biggest innovation in amateur photography since easy-load Kodak Instamatic cameras were introduced 19 years ago."

The new camera has taken eight years to develop and research and capital expenditure is estimated at hundreds of millions of dollars. The company said it would launch the biggest marketing and advertising campaign in its history to support

the new products. Kodak, with annual sales of more than \$10.5bn and pre-tax earnings of \$2.3bn last year, is hoping to maintain its dominant position in the amateur photography industry against the Japanese challenge with the new product line.

The disc photography system comes at a time when the amateur photography market has been flat and Kodak hopes to boost sales and earnings by stimulating consumer demand with the new product.

Kodak describes the disc cameras—the Kodak Disc 4000 camera, the Disc 6000 and the Disc 8000—as "intelligent" cameras. With the press of a button, the cameras, by means of two integrated electronic circuits will analyse the scene,



set the proper exposure, activate the built-in flash, if necessary, take the picture, advance the film to the next frame and re-charge the flash.

Mr Fallon said the yield of good to excellent pictures is expected to increase by 25 per cent with the disc camera and film. In turn, good pictures, he said, stimulate more picture-taking and hence higher sales of film—Kodak's bread and butter business.

The disc film is a flat round disc similar but smaller to the discs used in Viewmasters, the popular children's toy. The smaller size and disc shape enable Kodak to incorporate in the camera all the new electronic

components including an ultra-life energy source to power the camera and electronic flash for over 2,000 exposures.

Of the three new cameras, the basic and cheapest model is the 4000 at \$67.95. The intermediate 6000 has a list price of \$98.95 and the top of the line model 8000 is \$142.95.

The disc film with 15 frames which can be fired at one second intervals has a list price of \$3.19 for a single pack and \$5.90 for a double pack.

The products will be introduced on the U.S., Canadian and Japanese markets in May and will be available in other markets next autumn.

WORLD TRADE NEWS

Doubts raised on E. German economy

By Leslie Collett in Berlin

WEST GERMAN specialists on the East German economy have begun to doubt whether the nation managed to achieve a surplus in its trade with the West last year as it claimed.

They are also questioning whether it achieved many of the planned targets last year as it reported last month, including a 5 per cent growth of the economy.

In 1980 East Germany had a trade deficit with OECD countries of DM 5.8bn (£1.3bn).

The German Institute of Economic Research (DIW) in West Berlin said in its latest report on the East German economy that East Germany's exports to Western countries, based on OECD statistics, showed that it managed to increase exports last year to the West by 20 per cent, at best.

In order to have achieved a balance in trade, East Germany would have had to cut overall imports 5 per cent, but DIW said preliminary OECD statistics showed that East Germany boosted imports from these countries. The report did not rule out the possibility that East Berlin was able to balance its trade with the West with the help of a rare surplus last year in its trade with West Germany, but it noted that there was an absence of reliable East German statistics.

No breakdown was given by East Germany of its exports and imports and the East German figures diverged widely from those of its Western trading partners.

In another analysis, the West Berlin Board of Trade and Industry said the news from East Germany about its trade surplus came just in time for the East German leadership as East Berlin's reputation among international bankers "had suffered somewhat".

It noted that DIW reported last year that East Germany, from 1976 to 1980, was able to finance only 67.5 per cent of its imports from OECD countries and exports to these countries.

In a ranking of creditworthiness by major banks, East Germany is said to have occupied 44th position last September after being 36th.

Mowlem deal

THE RECENTLY formed London Docklands Development Corporation has awarded Mowlem a three-year maintenance contract estimated to be worth £500,000 a year. Initially it is to carry out repairs and maintenance to buildings, docks and roads on the Corporation's land on the Isle of Dogs, including the West India and Millwall docks.

Biffen urges Japan to increase imports through public sector

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN should act urgently to increase imports through its public sector as a means of defusing trade tensions with the West, Mr John Biffen, the UK Trade Secretary, said last night.

In the case of the UK, public sector purchases could include defence equipment, environmental control equipment and aircraft. Mr Biffen added that he had vigorously canvassed Japanese Ministers on behalf of the British Aerospace 146 short-haul airliner, although the response had not gone beyond "formal courtesy."

Mr Biffen said that a dramatic increase in Japanese public sector imports was his preferred solution to the trade imbalance problem since it would mean raising trade levels.

Failing some "far reaching" action by Japan, protectionist pressures in the EEC could be expected to grow quickly, although the UK and West Germany would not be the first countries to rush into import controls. Japanese trade surpluses were becoming a "lightning conductor" for other frustrations in the West. Mr Biffen's call for larger

Japanese public sector imports was made after two days of talks in Tokyo during which he met Japanese business leaders and economic ministers, including Mr Shintaro Abe, the Minister of International Trade and Industry.

The visit coincided with an exhibition of British Aerospace products at the British Export Marketing. Mr Biffen said his tour of the exhibition was the most encouraging experience of his stay in Tokyo.

The British Aerospace 146 which formed the main thrust of Mr Biffen's arguments in favour of Japanese public sector purchasing is a candidate for selection by Toa Domestic Airways, the smaller of Japan's two domestic airlines.

TDA is a private company and not answerable to the Government, at least in theory, for its purchasing decisions. Mr Biffen, however, said he did not think that a decision on the purchase of the aircraft would be "entirely outside the scope" of official influence.

On Japan's recently announced list of import liberal-



Mr John Biffen, UK Trade Secretary, urged Japan to increase imports through its public sector.

Donovan fails to appear

Raymond Donovan, U.S. Labour Secretary, whose former company, Schlumberger, is under investigation by a grand jury in connection with allegations of trade union corruption, yesterday cancelled an appearance before the Senate labour subcommittee, at which he was due to put the Labour Department's view on union racketeering. Anatole Kaletsky reports from Washington.

This is the second time in two weeks that Mr Donovan, acting on instruction from the White House, has cancelled testimony on this subject. The official reason was that a Labour Department solicitor would be equally qualified to present the technical evidence which the Senate committee required.

The committee is considering legislation to increase the penalties for union corruption.

However, it is widely believed in Washington that the White House was embarrassed at the prospect of Mr Donovan testifying on "labour racketeering" before his name had been cleared completely.

The Schlumberger investigation involves allegations that the company paid bribes to the labourers' union and that Mr Donovan, who was executive vice-president of the company, was present when \$2,000 changed hands at a Long Island restaurant.

Mr Donovan who has denied the allegations was cleared last year at his Senate confirmation hearings of earlier charges that he violated federal law by paying union officials while working for a New Jersey construction company.

Call for halt to El Salvador aid

BY ANATOLE KALETSKY IN WASHINGTON

THREE DEMOCRAT Congressmen have introduced a resolution aimed at stopping all U.S. military aid to El Salvador by declaring "null and void" President Reagan's recent certification that the Salvador Government has made progress on human rights.

This certification was required by Congress last year before any additional military or economic aid could be sent to the Government of President Napoleon Duarte. The congressmen compared U.S. policy on El Salvador with that towards Vietnam. Their view has been rejected by the Reagan Administration but has won some support among other congressmen.

In addition the Salvadoran armed forces will be provided with additional training, mostly carried out in the U.S.

The upsurge of violence in El Salvador is related to forthcoming elections on March 28. The U.S. is determined that these elections should be held, under international observation, and believes that they will legitimise the Government.

Guerrilla forces are attempting to disrupt the polls, in which they have refused to take part on the grounds that military intimidation will make them unrepresentative.

The former U.S. ambassador to El Salvador, Mr Robert White, who was replaced by the Reagan Administration, said on television on Tuesday that the forthcoming elections would be "a disaster," leading at best to the weakening of the moderate Duarte régime and the strengthening of the military Right.

The former U.S. ambassador to El Salvador, Mr Robert White, who was replaced by the Reagan Administration, said on television on Tuesday that the forthcoming elections would be "a disaster," leading at best to the weakening of the moderate Duarte régime and the strengthening of the military Right.

Washington has hitherto tended to pinpoint Soviet expansionism as the main threat to Middle East peace and Mr Reagan did so again yesterday. Welcoming Mr Mubarak to the White House, Mr Reagan said that the U.S. and Egypt shared a mutual concern at the "expansion of a totalitarian power."

Trudeau resists plea for lower interest rates

BY VICTOR MACKIE IN OTTAWA

PROVINCIAL premiers believe a Canadian dollar, worth only 75 U.S. cents, is better than a continuing recession and higher unemployment, and have urged Mr Pierre Trudeau, the Prime Minister, to adopt a "made in Canada" lower interest rate policy.

But Mr Trudeau, firmly backed by the governor of the Bank of Canada, Mr Gerald Bouey, continued yesterday to resist the premiers' plea for lower interest rates to stimulate the sagging economy.

Mr Bouey told reporters as he entered the second closed session of the federal-provincial economic conference that if interest rates were moved 3 or 4 percentage points below U.S.

rates "there would be a very sharp fall in (the exchange value of) the Canadian dollar."

The 10 premiers, from four different parties, unanimously condemned the tight money, high interest rate policy at the first session of the conference on Tuesday. Mr Allan Blakeney, the Premier of Saskatchewan, summed up for them in describing it as "perverse to the point of being immoral."

But the premiers said yesterday that after the meeting went behind closed doors on Tuesday afternoon Mr Trudeau, Mr Bouey and Mr Allan MacEachern, the Finance Minister, stood together

Palestinians are the key, Mubarak says

By Reginald Duke, U.S. Editor, in Washington

PRESIDENT Hosni Mubarak of Egypt yesterday urged President Reagan to concentrate on solving the Palestinian problem, as the "key to peace and stability" in the Middle East.

Starring his first visit to Washington since taking office in October, Mr Mubarak said that both Israelis and Palestinians had an inherent right to function as a "national entity."

European companies may miss Soviet gas pipe deadline

BY KEVIN DONE IN FRANKFURT

WEST EUROPEAN companies directly hit by President Ronald Reagan's embargo on the delivery of U.S. equipment for the Soviet Union's controversial 5,500 km natural gas pipeline appear increasingly unlikely to be able to meet the tight delivery schedules imposed by Moscow when the contracts were signed last autumn.

Nuovo Pignone of Italy, John Brown of the UK, and AEG-Telefunken of West Germany, all European manufacturing associates of General Electric (GE) of the U.S., picked up contracts worth around DM 1.8bn (\$411m) for the delivery of 125 gas turbines. Under their licences from GE, the European companies must buy in certain key components—rotor blades and nozzles—from the U.S. manufacturer.

The turbines are vital components of the 41 compressor stations, each in its own right a small factory complex, which are due to be built at intervals every 100-120km along the pipeline to force the gas through it. The first of five 10 Mw turbines from AEG for the northerly section of the line—to be built through the permafrost regions of Western Siberia—is due for delivery in August this year. Delivery of the larger 25 Mw turbines is due to begin in October, with shipments building up quickly to six a month.

GE began the supply of the essential movable parts—worth about a quarter of the final value of each turbine—late last year, as arranged, from its Schenectady plant in New York state.

However, only one rotor set made it to AEG's turbine works in Essen, before the U.S. clampdown. To fulfil the rest of the contract AEG, Nuovo Pignone and John Brown now have little choice but to move into a political and legal minefield in the search for a way around the U.S. embargo.

GE manufacturing associates has been to test the exact nature of the "interim regulations" issued by the Reagan Administration, which imply that the turbine components must have a valid export licence before they can be shipped abroad.

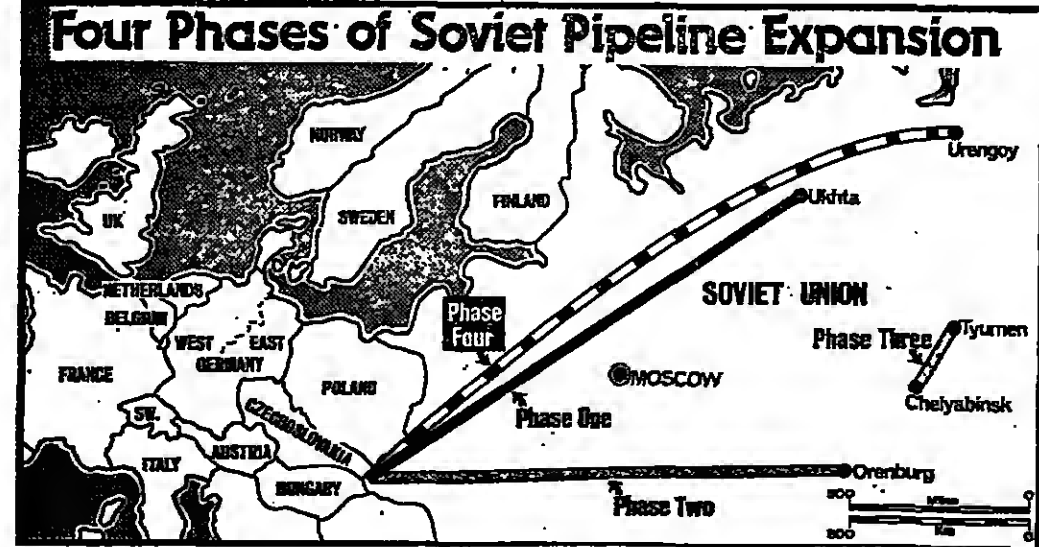
Applications for export licences have been made to the U.S. Department of Commerce, but none of the companies is expecting a speedy reply.

The second course adopted has been to seek out a "back-up solution." The one company outside the U.S. with a valid licence from the U.S. to make the turbine movable parts is Alsthom Atlantique, the French engineering group. It has already received orders from Moscow for 40 rotor sets, but these were planned as spare parts for the pipeline once it had started operation towards the end of 1984.

The group, which could hold the key to West European gas turbine manufacturers' chances of out-manoeuvring the U.S. embargo, has so far reacted to their approaches "with the diffidence of a virgin bride," according to one of the negotiators close to the talks.

For the companies—and indeed for Moscow—time is running out, if the delivery targets are to be met to allow the first gas to flow in 1984. According to AEG the absence of rotor sets will force it to start changing its turbine production schedules at the middle of this month, if no new supplier is in sight. As many as 800 jobs were guaranteed by the Soviet order over the next two years.

Theoretically, AEG, Nuovo Pignone, or John Brown, could probably manufacture the rotor parts themselves. The technology is after all nearly 20 years old, but without a GE licence, such a move would be illegal and would threaten to jeopardise the many other



levels of contact which also exist between GE and its manufacturing associates in Europe.

The U.S. embargo means that the Soviet Union could quickly run into intractable scheduling problems because of the challenge posed by transporting the 60-tonne equipment packages across the empty wilderness of Western Siberia. There are few if any roads. Transport must be largely by river and the waterways are only open for a few months in the summer. Making up for lost time will not be easy and any delays threaten to postpone the massive hard currency earnings which Moscow promises itself from the gas deal.

For western contractors, future orders are at stake too. AEG is still negotiating against Italian and French competition in Paris—the temporary headquarters of the Soviet purchasing commission—for contracts understood to be worth around DM 400m to supply compressor station control equipment and electrical equipment, as well as up to 10 special workshops to be built at intervals along the line.

In addition, all these contracts only take the pipeline as far as the Soviet border with Czechoslovakia. To reach the West German border, Moscow is understood to be planning to re-activate a pipeline built earlier in Czechoslovakia to serve the ill-fated gas deal agreed between the Soviet Union, Iran and West Europe, which foundered in the wake of the Iranian revolution. Extra gas turbine capacity is

needed, however, according to western contractors recently in Prague. Czechoslovakia also might look to the West for supplies if it cannot meet delivery schedules alone. A spur line is being planned as well through Hungary to serve gas deliveries to Italy and Austria.

The biggest batch of follow-on orders could come, however, from a second pipeline built in the Soviet Union itself. Moscow is seeking to sell around 40bn cu m of gas a year to Western Europe, but the first line—scaled down from the original plans—has an annual effective operating capacity of little more than 25bn cu m a year.

Contracts already agreed with the Ruhrgas consortium in West Germany and with Gaz de France see gas supplies reaching their full volume in 1987. By then, Moscow might need a second line, again holding the prospect of orders worth several billion dollars—given that is the survival of East West trade in anything like its present form.

\$98.6m business

New York's Insurance Exchange modelled on Lloyd's of London, did an estimated \$98.6m (£52m) of business last year, measured by value of premiums, our New York Staff reports. Although this falls slightly short of the \$100m target, it is approximately four times the total done in 1980, its first year.

SIBERIAN GAS PIPELINE White House legal wrangle hampers economic sanctions

BY PAUL CHEESEBRIGHT, WORLD TRADE EDITOR

DIFFERENCES WITHIN the Reagan Administration are holding up the U.S. attempt to apply economic sanctions against the Soviet Union for its role in the imposition of martial law in Poland.

Legal debate is taking place at the White House about how to apply controls on the export of oil and gas technology. Such controls were extended on December 30 as part of the package of sanctions announced by President Ronald Reagan.

The issue "should be decided expeditiously," said Mr Boban Denysuk, the deputy assistant secretary for export administration at the U.S. Department of Commerce, charged with the administration of the sanctions programme, during an interview.

The final decision will be made by Mr Reagan. The delay has added substance to the claims, made privately by West European officials, that the U.S. sanctions policy has not been clearly thought through.

The area of doubt within the Administration concerns the products of U.S. technology exported before the imposition of controls, where no U.S. components are involved.

This affects specifically licensing agreements of the type which give Alsthom-Atlantique of France the right to make rotating parts for General Electric turbines, or Creusot Loire another French group—the right to manufacture Cooper compressors.

The debate is thus directly relevant to the "contracts awarded by the Soviet Union for equipment to be used on the 5,500 km Siberia-West Europe gas pipeline, about which the Reagan Administration has deep political and economic reservations.

Some members of the Administration argue that the products of U.S. technology are covered by the controls, because the licences in question remain active and imply a continuing flow of technology. Therefore, they maintain, the

licence itself becomes subject to control even though there is no power to revoke it. Hence, there may be power to impose re-export control on the products of U.S. technology.

Another school of thought in the Administration contends that the technology has already been exported and that a licensing agreement, although still active, does not imply a further transfer of technology. Therefore, so this argument runs, the products of U.S. technology are not subject to controls.

The two main categories of controls which the U.S. uses on exports are based on national security and foreign policy. The first set embraces technology exports. Here the Commerce and Defense Departments have to agree on a specific case before a decision is made. In the event of failure to agree, the case goes to Mr Reagan—the situation on pipeline technology at the moment.

For foreign policy controls, which control the export of goods, on the other hand, the Commerce Department consults other agencies, but has the authority to make decisions on its own. This appears to be one reason why Washington's stand on the movement of goods to the Soviet Union under the December 30 regulations has been more debate than on technology.

Historically, when a product becomes controlled, the U.S. claims to exercise that control worldwide. Thus, the Commerce Department has to grant approval for the export of the product from the U.S. and the Soviet Union under the December 30 regulations has been more debate than on technology.

A U.S. component on the controlled list sent to a West European manufacturer for use in equipment destined for the Siberia-West Europe pipeline therefore needs, Washington claims, a re-export licence. This goes to the heart of the West's present difficulties in how to respond to the U.S. sanctions policy.

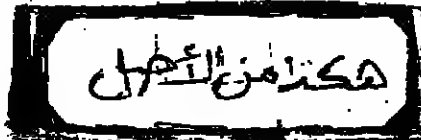


President Ronald Reagan will make final decisions on the pipeline.

Re-export controls need co-operation of other agencies. Mr Denysuk noted, "It is less than candid if I said had been without problems."

Some countries argue that goods shipped from the U.S. have lost their U.S. identity, and any such Washington's ability to exert control over re-export raises sensitive legal questions about its right to exercise jurisdiction outside the U.S.

If there is no political solution to cover the detail of the sanctions regulations, there are criminal remedies, which the Administration can seek from companies breaching the sanctions regulations. Such remedies could not be sought from West European companies without U.S. interest. But as U.S. law is a company as a totally theoretical agent against the U.S. subsidiaries of European groups. A fine of \$100,000 (£50,000) can be levied for sanctions violations and five-year prison sentences can be imposed. An embargo can also be placed on a company for five years.



Oil output exceeds usage for first time in full year

BY RAY DAFFER, ENERGY EDITOR

THE UK oil industry reached a watershed last year, the Energy Department reported yesterday. For the first time in a calendar year the country produced more oil than it used.

Oil production, mainly in the North Sea, totalled 89.4m tonnes in 1981, a 13 per cent increase on the previous year. In contrast use of oil products in the UK fell to 74.5m tonnes, 7.7 per cent less than in 1980.

The improving oil balance helped consolidate the country's position of energy self-sufficiency.

The department's provisional energy statistics showed that total energy production last year was the equivalent of 956m tonnes of coal, 10 per cent more than in 1980. Total energy consumption in 1981 was 315.9m tonnes of coal equivalent, 3.7 per cent below the 1980 level.

Britain first reached self-sufficiency in 1980. It is one of the few countries in the West to produce more energy than it consumes. It is also one of the few developed countries to use more coal than oil.

The department reported that coal production last year was 127.6m tonnes, almost 10m tonnes more than the level of demand and 1.7 per cent less than output in 1980.

In the natural gas industry consumption levels rose faster than the rate of production. Last year use of gas in Britain was the equivalent of 71.5m tonnes of coal, 1.6 per cent more than in 1980.

Domestic production of gas rose only 0.2 per cent to 54.5m tonnes of coal equivalent last year. The balance was filled by imports, mainly from Norway and Algeria.

The production—and use—of nuclear power and hydro-electricity rose 4 per cent last year, to the equivalent of 16m tonnes of coal.

Drop in beer sales forces brewers to cut investment

BY GARETH GRIFFITHS

BREWERS, who have seen their beer sales decline sharply in the past two years, are to reduce the real value of their capital investments in the next three years. This will be the second year running that the industry has reduced its estimates.

Mr Derek Palmer, chairman of the Brewers' Society and chairman of Bass, said yesterday that the industry planned to spend £1.37bn in the next three years. Production, packaging and distribution will suffer most with investment in retailing increasing in real terms. Some £966m will be spent on retailing. Investment in public houses will total £676m, particularly for refurbishment. All figures are in constant 1981 prices.

Mr Palmer said the spending on public houses "demonstrated brewers' faith in the future of the pub trade." But the industry was seriously concerned about its return on capital employed which he felt was too low. This could jeopardise future progress, he said.

Beer production and sales in the UK have fallen sharply during the past two years. Beer production in 1981 was 37.7m, a decrease of 1.6m

Call for £500m boost to construction industry

BY WILLIAM COCHRANE

A £500m boost to investment in houses or roads and sewers is recommended by UK construction industry organisations.

Detailed representations have been made to the Chancellor before next month's Budget.

The £500m boost would create, it is expected, between this year and 1984, the highest number of jobs for a given PSBR cost. It would give a substantially bigger boost to gross domestic product and the best all round performance for the real economy.

Specific options are also called for by the joint taxation committee for the construction industry. This represents the National Federation of Building Trades Employers, the Federation of Civil Engineering Contractors, the Committee of Associations of Specialist Engineering Contractors and the Export Group for the Construction Industries.

It recommends a further increase in the industrial building allowance—lifted in last year's budget from 50 to 75 per cent—to 100 per cent. It also asks for a special 100 per cent allowance for spending on the reconstruction, refurbishment or conversion of existing commercial or industrial buildings for a new use.

Failing that, the committee would like to see two improvements made to the present scheme for encouraging industrial "nursery units".

Firstly, it would like to see the scope widened to cover larger-sized units, doubling the maximum permitted floor space from 2,500 sq ft to 5,000 sq ft.

Secondly, it recommends that special treatment for nursery units should be extended beyond March 1983, when it is due to end.

The committee urges an initial capital allowance for all commercial buildings. It says: "In our view there is no valid justification for the existing discrimination against commercial

Lufthansa 'will not abolish first-class seat system'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LUFTHANSA, the West German airline, does not intend to follow British Airways and abolish first-class seating on its European services. The airline has more than 1,000 flights a month between the UK and West Germany.

Mr Martin Landgrebe, director for the UK and Ireland, said yesterday Lufthansa's first-class traffic increased in 1981.

Lufthansa will continue its established traditional first-class economy class concept in Europe without any of the dubious experiments in air transport that have caused such confusion among passengers, business houses and travel agents," he said.

"The decision is firmly rooted in the needs and requirements of Lufthansa's customers who insist upon a first-class option in Europe and prove it by using it."

Mr Landgrebe said 87 per cent of all passengers between the UK and West Germany were business travellers and 76 per cent of Lufthansa's European business travellers.

Lufthansa's first-class fare between London and Frankfurt of £128.50 single (£257 return) compares with British Airways' Club Class fare of £86 single (£172 return).

Space programme backed

BY MICHAEL DONNE

THE PRIME MINISTER has affirmed the Government's strong support for Britain's space programme.

Mrs Thatcher gave her pledge in a letter congratulating Sir Austin Pearce, chairman of British Aerospace, and Lord Nelson, GEC chairman, on the major part played by their companies in manufacturing the successful European maritime communications Satellite Marecs-A.

Mrs Thatcher wrote that the Government had funded 50 per cent of the Marecs programme.

"I would like to underline the Government's commitment to the development of new industries and services based on the application of new technologies," she said.

"One of the aims of our space programme has been to provide the conditions in which the UK industry can compete for orders in world markets. The launch of the Marecs-A satellite has shown how well British industry can do."

Ratepayers face a lesson in education costs

Robin Pauley looks at ILEA's budget options

THE Inner London Education Authority, Britain's largest education body, plans to increase its call on inner-London ratepayers by between 14 per cent and 16 per cent in 1982-83, to fund a £790m to £813m budget.

All inner-London boroughs have asked ILEA to moderate its spending plans in this, a London election year. The left-wing leadership plans, however, to ignore them.

Not only will all current policies be maintained. A programme of new projects worth £23m is planned, representing real growth of just under 3 per cent.

There is nothing the London boroughs can do about the authority's expenditure plans. It has powers to fix its own rate. This cannot be challenged except, possibly, under the implications of the Law Lords' judgment on GLC subsidy levels to London Transport. That said local authorities owned a fiduciary duty to their ratepayers.

ILEA is not directly elected and therefore neither financially nor electorally directly accountable to the population of London from which it gathers its income.

ILEA is led by Mr Bryn Davies. Mrs Frances Morrell is his deputy. Both are Labour left-wingers. It has several options before it for next year's budget.

The Government's assessment of how much ILEA needs to spend to provide a comparable level of services, its grant-re-

	Change from present policies			Grant payable	Precept	Effect on average household (RV £2500)	Effect on typical commercial/industrial property (RV £2,500) £ per year
	£m	£m	%	£m	p in £	£ per year	£ per year
1981-82 original budget	699			0	63	189	2,205
1981-83 budget based on Government's spending assessment (GRE)	513	-277	-35	125	35	105	1,225
Grant eligibility begins	666	-124	-16	0	59.5	178.5	2,085
Government target	680	-110	-14	0	61	183	2,135
7% cut using ILEA inflation factors	735	-55	-7	0	66	198	2,310
Current policies	790	0	0	0	71	213	2,485
Current policies plus new 1982-83 spending plans	813	+23	+2.9	0	73	219	2,555

lated expenditure (GRE), is so far below this year's actual spending as to be widely accepted as being wholly unrealistic.

If it were adopted, this year's actual spending would have to be cut by about £200m cash. This, in practice, would involve bringing large sectors of inner-London education to an immediate halt.

There are, however, several possibilities between this unrealistic figure of £513m GRE and the planned final £813m budget. They are:

The Government's £680m target: Major cuts would be

needed to save £110m, including cutting maintenance by 40 per cent (saving £15m) and restricting it to urgent day-to-day repairs.

Furniture and equipment costs could be cut from £6.7m to £1.5m. ILEA officers warn this would put parts of the science curriculum and health and safety at risk.

A moratorium of all spending against allowances after Easter would save £15.3m.

Another £16m could be saved by leaving 90 per cent of all full-time and part-time schools' vacancies unfilled.

No-fulfilling of all non-teach-

ing staff vacancies would save £9m but lead to serious problems in providing school meals and to "serious industrial relations problems."

A 7 per cent volume cut over 1981-82 estimates (£735m): The main area for savings would be teachers in primary and secondary schools, but to a lesser degree in nursery and special schools.

Cuts in further education and school meals would figure prominently.

All primary vacancies would remain unfilled in the 1982 summer term and the total of posts available through dis-

cretionary pools would fall from 1,373 to 1,123.

In secondary schools either the number of posts available through discretionary pools to supplement basic staffing would have to fall by 180 to 603 or the teacher allocation formula would need to be adjusted to lose 180 posts. Supply teachers would be cut by 50 out of 350.

To further education 90 per cent of the expected 320 teaching vacancies would be left unfilled in all maintained and aided colleges.

School meals could be increased by continuing existing policies in 1982-83 (£790m): The officers prepared a detailed analysis of this spending so that ILEA could delete items later if it wished to maintain the overall spending total while introducing some new revenue expenditure items in the financial year.

This level of policy would require a precept of 71p in the pound, an increase of 14 per cent over the current year's original precept.

Continuing existing policies plus new developments (£813m): A wide range of measures totalling £23m of new spending covers expanding education provision for under-five-year-olds, a centre for catering courses, improving adult education, youth and careers service and multi-ethnic education.

More money to bring seriously deteriorating buildings to standard is included and plans to improve the schools' computer programme.

Unilever to ask £28m for office complex

By William Cochrane

UNILEVER is to put on the market next month three inter-linked office blocks on a site between Fleet Street and the Embankment near London's Blackfriars Bridge at an asking price of £28m.

The three blocks—St Bridget's House, Kildare House and Conway House—add up to 133,000 sq ft of net office space. They previously formed the UK headquarters complex of the Unilever Group with the 190,000 sq ft Unilever House.

They are being released by the renovation of Unilever House which has been extended 70,000 sq ft by a new north wing. The total cost of the programme, before netting out any associated property sales, is estimated at £37m by the time Unilever's six-year renovation programme is finished at the end of 1983.

Unilever House is about 50 years old. Sir David Orr, the company's chairman, said that by the early 1970s it was recognised that parts of the building and many of its essential services were becoming obsolete and needed replacing. Ultimately, the building would not have been able to meet the demands that the commercial competitive world puts on a major international company.

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UK NEWS

Bristol City football club bankruptcy averted

By Robin Reeves, Welsh Correspondent
THE IMMINENT bankruptcy of Bristol City football club which could have had potentially serious effects on the rest of the football league was averted yesterday—at least temporarily. Eight of the club's leading players, led by Mr Gordon Taylor, Secretary of the Professional Footballers Association, agreed to waive their outstanding contracts with the Bristol City Club and accept an ex-gratia settlement said to total £100,000, plus free transfers.

Trouble over Pym's timing for an unpalatable truth

Max Wilkinson looks at some of the figures behind a controversial speech

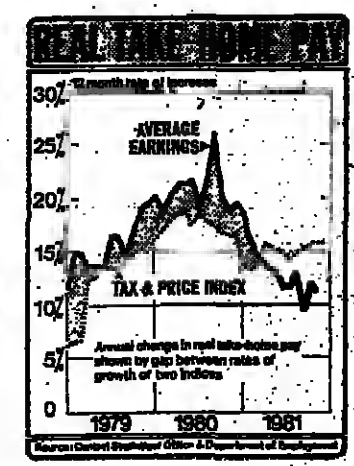
MR FRANCIS PYM, Minister responsible for presenting Government policies, appears to have incurred the Prime Minister's displeasure on Monday for saying something which is on the face of it, unsurprising and generally accepted as true. He said in a speech on Monday that, in the short term, it would be difficult to maintain present living standards for the next few years and that they were bound to fall.

living standards which is generally expected. The Treasury said in its Industry Act forecast for December: "After an increase of 17 per cent between 1977 and 1980, the personal sector's real income after tax is now lower, by over 3 per cent in the second half of 1981, than a year earlier..."

1985. This forecast assumes broadly the present tax regime, but there are good strategic reasons for believing the Government does not wish to allow real take-home pay to rise very fast. Sir Geoffrey Howe, the Chancellor, has repeatedly stressed the need to restore the UK's international competitiveness, which in spite of an improvement last year, remains 35 to 40 per cent worse than in 1975.

and higher productivity. Unless growth is faster and inflation lower than predicted, that almost certainly implies that the increase in earnings must be below the rate of increase in prices for several years. Between 1977 and 1980 while real take home incomes were increasing by 17 per cent national output (and therefore the total national income) rose by only 2.8 per cent. The result was a major squeeze on company profits, which clearly could not continue indefinitely.

competitiveness handicap will make it more difficult for those UK producers who face overseas competition to pass on wage increases in prices. The Treasury and the Government would agree with this assessment and add that it is extremely important that some of the share of national income in real terms won in the last wages explosion should be restored to the company sector. That leaves out of account the recent evidence of a marked improvement in productivity which may prove of long-term significance.



Average Earnings and Tax & Price Index 1979-1981. Annual changes in real take-home pay shown by gap between lines.

Two new management posts at British Rail

By Gareth Griffiths
BRITISH RAIL yesterday announced two new senior management posts. The aim of the appointments is to review the railways' administration and boost BR's overseas marketing operations, particularly the proposed Channel tunnel link.

Mr John Paletta, formerly general manager of Southern Region, becomes general manager administration. His brief will be to look at how the administrative staff operates and to find ways in which there will be substantial reductions in costs. Mr Peter Keen, the chief passenger manager, becomes director of international marketing with responsibility for boosting BR's links in the U.S. and Europe.

Hoover to sell home-security kits

BY JAMES McDONALD
HOOVER is entering the competitive home security market with a range of fit-it-yourself locks, hols and intruder alarms. The company will launch a £500,000 advertising campaign this spring for its Thieftech range. The range will be sold through Hoover's existing outlets in electrical stores, through hardware shops and builders' merchants.

business, Scotland and Merthyr Tydfil, Wales. The locks-and-bolts system for doors and windows will be assembled initially by a team of about 12 people at the Merthyr Tydfil factory. Hoover's October plans, announced last October, involve closure of the Perivale vacuum-cleaner plant with the loss of more than 1,000 jobs and the loss of about 800 jobs at the Merthyr Tydfil and Cambuslang factories.

Thought-in from other UK manufacturers, although Hoover says the two alarm systems have been designed by a company team. Two alarm systems are to be offered. One will be a kit of magnetic sensors, pressure-pads, control-box and panic-button, costing £137 for a three-bedroom house. The other will be a free-standing, battery-operated passive infra-red intruder alarm, costing £130 per unit.

Fleet Holdings board named

By John Moore
The composition of the board of Fleet Holdings, the publicly quoted company which is to be formed to contain the publishing and newspaper interests of Trafalgar House, was unveiled yesterday. The company, which will own Express Newspapers and Morgan Grampian, is to be chaired by Lord Matthews. Mr Ian Irvine, 45, is appointed managing director. Until his appointment Mr Irvine was a partner in the accounting firm of Touche Ross and Co. He has twice served as a Department of Trade investigator.

£50,000 loan to expand peptide manufacturing

BY RAYMOND SNODDY
A SMALL Cambridge company set up 18 months ago to import peptides — basic units which control bodily functions — has been loaned £50,000 by the British Technology Group to expand manufacturing. No British company has been regularly manufacturing peptides, and a growing demand has been met by U.S. imports, the group says.

The loan from the Small Companies' Division of the British Technology Group, which also involves an option on equity, has helped the company to acquire new laboratories. Dr Ken Liddle, managing director of Cambridge Research Biochemicals, says he is aiming for a turnover of £500,000 within two or three years and hopes to make the company truly international. The company products are sold for hospital and pharmaceutical research.

Borrowing limits up

THE British Airport Authority can borrow up to £200m and British Airways up to £120m, as a result of the Civil Aviation (Amendment) Act, 1981, which has received Royal Assent. The act increases the statutory borrowing limits of the two authorities from the former levels of £125m and £10m respectively. The Transport Secretary can raise the limit further to £300m for the authority and £150m for British Airways.

Central-heating rush 'past its peak'

BY MAURICE SAMUELSON
THE 20-YEAR rush to install central-heating has passed its peak. With nearly 12m of 20m homes heated this year, makers and suppliers of boilers and radiators are relying increasingly on the need to replace worn-out equipment. More than two-thirds of these homes have gas-fired systems. There could now be a slight return to electricity, the market share of which could rise from 6 per cent to 9 per cent by 1985, and to even more in the following 15 years.

gas-boilers would be 12 years to 22 years-old by 1985. The annual level of replacement demand will rise until the entire stock of gas-boilers had been replaced at least once. This means about three-fifths of volume sales of gas-boilers might be replacement units by 1985, compared with only one-sixth in 1980. Total domestic-sector gas demand is expected to grow, though not so fast as in the 1970s. In spite of publicity given to other heating systems, the report concludes these will make no noticeable medium-term impact though the situation could change towards the end of this decade. Long-term fuel price trends and heating requirements could

help electrical appliances increasingly to compete against gas-fired units. By the year 2000 mass heatin technology probably will have become viable, better report emphasises the recession's serious effects. Demand in 1980 for first-time installations was down 21.2 per cent on previous year, to an estimated 615,000 units. The recession's effects on individual makers and suppliers of heating appliances and systems is reported in profiles of 32 companies, including Myson, Potterton, Steirad, Thorn EMI and TI. Domestic Heating Appliances in the UK: Market Structure, Suppliers and Future Prospects, by Mark Hudson; Economist Intelligence Unit; £70.

FT widens award's scope

BY MICHAEL CASSELL
THE SCOPE of the Financial Times Industrial Architecture Award is to be extended in 1982 to include new categories of buildings. For the first time since the award began in 1967, office buildings will be eligible for entry. The competition will be re-named the Financial Times Architecture at Work Award. The changes were announced by Mr Geoffrey Owen, Financial Times editor, when four of last year's entries received commendations at a ceremony in London. Mr Alan Hare, Financial Times chairman and chief executive, said the assessors considered that although several good schemes were submitted, they had been appointed not to find any with

Lessons to offer industry as a whole

commendations, went to Blakelands North, an advanced factory units designed by Milton Keynes Development Corporation; distribution and installation support centre, Middlesex, for IBM, UK, designed by Foster Associates; McKay trading estate, Kensal Road, London, designed by John Outram; River Hall tidal surge barrier, designed by Shankland Cox Partnership. Applications for the award should be made on the form available from the Financial Times, Bracken House, Cannon Street, London EC4A 3DF. They should be submitted to the Royal Institute of British Architects, 66 Portland Place, London W1, by May 4, 1982.

Navy to sell hydrofoil

THE ROYAL NAVY is to sell its only hydrofoil, the 115-ft HMS Speedy, bought from the U.S. in 1980 and converted at a cost of £7.5m. The craft was under trial at a high-speed fisheries and a rig protection vessel, on the North Sea conditions were severe for her, Whitehead officials said. Avis ends surcharge AVIS UK, the British arm of the international car rent organisation, is dropping its surcharge levied when cars are taken to continental Europe. Avis has imposed an extra fee of 50 per cent on its mileage charge for certain cars taken out of the UK, which will now be possible in return on an unlimited-mileage basis.

New truck likely

LEYLAND Vehicles may present a new Silent Riders, the new Dodge 50-series electric truck and trailer, into production with an electric version of its 1.75 tonnes carrying capacity Terrier truck. The Terrier is the latest prototype electric vehicle to be fitted with a Lucas Chloride EV Systems drive. Hitherto Leyland electric prototypes have all been vans or personnel carriers. Hyatt's hotel plans HYATT International, the hotels group, intends spending £15m this year and the same in 1983 to renovate its new London property, the Carlton Tower. It is looking for other hotels in British cities and another large property in London. Hyatt's plans for the Carlton Tower include a slight reduction in the number of rooms and major changes to the foyer.

Slate quarry expansion plan

By Robin Reeves
THE Welsh Development Agency has agreed to back an expansion scheme for one of Wales' oldest slate quarries. It is providing a £82,500 loan to the Caerwinton-based Windcliffe group to develop its Aberllefenni quarry, near Dolgellau, by driving a two mile road above the existing quarry and sinking three 100 ft shafts. A unique blue slate has been quarried at Aberllefenni since the days of Queen Elizabeth I. With modern techniques massive amounts of once inaccessible slate can be hewn out of the Aberllefenni vein. The project when completed should more than double Aberllefenni's output from about 400 tonnes to 1,000 tonnes of finished slate a year.

Hoteliers register a glimmer of hope after the past dark year

Figures suggest foreign visitors are increasing, reports Arthur Sandles

BRITAIN'S hoteliers, much to their surprise, recently have seen a glimmer of light in what has been a darkish tunnel for more than a year. The rail dispute has brought a boom in urban overnight stays at a time of year when bookings are normally low, and Trade Department figures suggest that the number of foreign visitors is beginning to rise. It is a little early to talk of a new dawn, however. Even Sir Henry Marking, British Tourist Authority chairman, and a man whose job it is to put a brave face on things, uses such words as "cautious optimism" and describes statistics as "encouraging". In the past 18 months occupancy levels have been falling. The average hotel in a large provincial town will have had a room occupancy of 54 per cent in November, according to

English Tourist Board figures, compared with 55 per cent a year before. More of those rooms are occupied by one person (bed occupancy fell from 45 to 39 per cent), meaning less spending in bars and restaurants. In London, room occupancy in de luxe hotels rose from 66 to 70 per cent, but the number of occupants per room fell, producing bed occupancy of 52 per cent compared with 53 per cent. Hotels almost universally charge more, with a minor increase only for additional people, so the impact on room revenue is not huge but the loss in spin-off spending is appreciable. Country hotels saw room occupancy fall from 32 to 29 per cent in November.

Grand Metropolitan's deal to sell 26 provincial hotels to Queens Hotel House indicates the way the hotel business is moving. Grand Met made no secret of the fact it felt it had to spend £30m developing and promoting its rural chain, or off-load the whole system. Even with 26 hotels, this large British group did not feel it was big enough. Of course, there is more to the deal than just that. Grand Met has decided there is more profit in the international market than the domestic one, and more in de luxe hotels than those in the middle bracket. Its decision seems to be one shared by other groups. Trusthouses Forte has been buying

abroad while playing cool within the UK—and raising sizeable question-marks over its Irish operations. As the bigger groups have been marshalling their resources to face what could be a difficult future, the smaller independents increasingly have been forced into marketing consortia — from Prestige and Relais at the top of the customer tree to Best Western, Inter-hotels and Minotels in the more workaday sector. There is a rush to join these. Mr Melvyn Greene, hotel industry consultant, says this trend to group marketing and buying will continue. When the final figures are counted, independently-owned hotels which are not part of a market-

ing co-operative could show substantial declines in occupancy in 1981. "More hotels will join the established marketing co-operatives, or form new ones with a greater emphasis for marketing as a goal." Latest figures suggest hoteliers again are looking to overseas customers for business growth. In London's de luxe hotels, overseas business recently has risen from 41 per cent to 46 per cent of the total. The January-February figures, however, will show a complete reversal of that trend as UK companies struggle to find accommodation for their staff during the rail dispute. However, the underlying trend is that the average Briton,

both as holidaymaker and corporate employee, finds it increasingly difficult to afford a night away from home even if he/she is keeping their price increases well below the rate of inflation. Even without the rail strike, things are not all bleak. According to Mr Greene: "Assuming lower interest rates, no further serious inner-city riots and bombs, many of the trends will move in the right direction for 1983." He predicts a burst of investment enthusiasm for hotels later this year. "It will be slowly dawn on the institution that the hotel industry may experience a difficult 1981 and 1982, but the results are not as bad as many other consumer industries, and that the hotel and catering industry is a good long-term investment."

U.S. \$41,160,000 Paribas Suisse (Bahamas) Limited
33,600 6 1/2 per cent. Convertible Debentures due 31st December, 1990 of US\$1,225 principal amount each
Convertible initially into 188,000 Bearer Shares of Swiss Francs 100 par value each (at the rate of five Bearer Shares for each Debenture)
Banque de Paris et des Pays-Bas (Suisse) S.A.
NOTICE TO DEBENTUREHOLDERS
Banque de Paris et des Pays-Bas (Suisse) S.A. hereby gives notice to the holders of the above-mentioned Debentures that it intends to issue by way of rights a further 900,000 Bearer Shares with a par value of Swiss Francs 100 each to the holders of Bearer Shares in Banque de Paris et des Pays-Bas (Suisse) S.A. in the proportion of one new share for every two existing shares held by its shareholders on 19th February, 1982.

Moderation call over public service pensions
BY ERIC SHORT
THE TIME has come for the Government to moderate the indexation of public service pensions, said Mr Paul Dean, MP for Somerset North and chairman of the Conservative Parliamentary Committee on Health and Social Services. He was speaking in London on the first day of the Seventh Pensions Conference, organised by the Financial Times. Mr Dean said full indexation of public service pensions, in line with the retail price index, offered a guarantee to pensioners that no private scheme could match. The contrast between public and private pension schemes had become too great and the present situation was not only unfair but unacceptable. He urged the Government to act without delay to deal with inequalities. However, he said this did not mean abandoning index-linking. His solution was to put a ceiling on increases. He felt such increases should take account of any pay policy limits. Mr Dean reaffirmed the Government's pledge to maintain the revaluation of basic State pensions in line with the Retail Price Index. To over-throw this principle would be an admission of failure by the Government and would mean abandoning pensioners, who had no bargaining power, he said. On the improvement of pension rights for employees who change jobs, Mr Dean said he was against legislation. He said improvement should come through voluntary action. He felt employees made redundant should be treated more favourably than those who changed jobs voluntarily. He also felt that the time was coming when the law governing the responsibilities of pension trustees would need to be codified and updated. The main theme of the conference's first day related to revised terms for occupational schemes to contract-out of the State scheme. Mr Dean said he did not expect any dramatic changes in terms. He said there were still good reasons for Government to encourage contracting out and with company pension costs rising rapidly there was a case for making the terms slightly more favourable. Lord Harris of High Cross, director general of the Institute of Economic Affairs, called for the euthanasia of State pensions, which he attributed as one of the major causes of the current economic ills. He wanted a system that gave individuals a minimum income level and left them to make their own pension provision. The ensuing competition for their pensions would be greatly to the advantage of the consumer, in higher benefits and greater flexibility. He referred to the pension reforms of the Chilean generals, who had returned to a system he described as "individual capitalism." Mr Derek Bandy, chairman of the Occupational Pension Schemes joint working group, reviewed the current position of rebates for contracting-out and the Government Actuary's discussions for changes to be made from April 1983. He said the rebate in National Insurance contributions of 7 per cent had been reached after negotiations between the Labour Government and the pensions movement. He said they had regard to the pension benefit which had to be provided by a contracted-out scheme in lieu of the State scheme, and the financial risks involved in that provision. Mr Bandy accepted that the rebate would fall progressively over the next 30 years since the pension build-up rate reduced. He considered the present "neutral state" in the various factors used in calculating the rebate with no advantage either way. He urged the Government to make no changes to this neutral state in fixing the next rebate which would mean a rebate of 6 1/2 per cent from April 1983. He disagreed with the Government Actuary's conclusions that the present terms provided an adequate financial incentive to contract-out, and that the safeguards were too generous. He opposed the Government Actuary's conclusion that a 5 per cent rebate was reasonable. Should the Government accept his conclusions it would result in undermining the confidence of the pension industry in the Government. He warned the Government against "making decisions for short-term political and monetary gain." Mr Dryden Gilling-Smith, managing director of Employee Benefit Services, was a strong proponent of the trustees' case for improving the contract-out terms. He wanted the present earnings-related State scheme wound up and the Government to continue itself providing a basic minimum flat pension only. Mr John Martin, a partner with R. Watson and Sons, argued for occupational pension schemes to remain contracted out in spite of any anticipated reduction in the rebate. The advantages enjoyed by schemes over the past few years, cost savings, and employer support would continue unless the Government made the rebate absurdly low. Mr Martin Paterson, chairman of Martin Paterson Associates, said it was "opportune" for companies to review their decision to contract-out. He discussed the advantages of employing and employees of integrating their pension schemes with the State scheme. He believed that for many employers, this would be their last year opportunity to change their minds. Mr Donald Chivers and Mr Adrian Lamb, partners in Coopers and Lybrand, said they were opposed to the pay-as-you-go principle of financing periods as being fundamentally unsound in corporate planning and finance. They discussed the "need" for accurate and comprehensive pension and investment data, trustees' case for improving the contract-out terms. He wanted the

UK NEWS

Banks' share of personal credit business soars

BY WILLIAM HALL, BANKING CORRESPONDENT

THE BANKS' share of the UK consumer credit market (excluding house purchases) has jumped sharply in recent months. The latest figures show they account for 96 per cent of new business in this field.

The consumer credit market overall grew 13.7 per cent to £89.1m in the third quarter of 1981, compared with the same period of 1980. The banks' share of net seasonally unadjusted transactions rose from 63.7 per cent to 98.4 per cent.

The rapid growth of the banks' market share has been at the expense of the finance houses and the retail sector, which have traditionally played an important part in granting consumer credit.

Knitting industry's fortunes improve

By Anthony Moreton, Textiles Correspondent

THE fortunes of the knitting industry, largely centred in the East Midlands, have improved in recent months. Orders for the autumn are better than for several years and short-time working in the industry has been almost eliminated.

TO ALL BRUNSWICK SHAREHOLDERS:

The Whittaker Offer Is Worse Than Inadequate; It Demands Rejection!

We have told you that your Board of Directors has unanimously determined that the Whittaker tender offer is "blatantly unfair." The Board has also voted unanimously to recommend that you reject the efforts by Whittaker to gain control of 49 percent of the voting power of Brunswick stock and subsequently merge Brunswick with Whittaker.

We now want to tell you why we reached those conclusions.

- Three major investment bankers, Lehman Bros. Kuhn Loeb, Incorporated, Salomon Brothers Inc., and the Merrill Lynch White Weld Capital Markets Group, are unanimous in their opinion that the consideration in the tender offer and the proposed merger are inadequate from a financial point of view.
● The cash offer of \$26.50 does not represent the real value of your shares, and even this inadequate price is offered for only 49 percent of Brunswick's stock.

- The paper "preferred stock" Whittaker would exchange for your shares not bought in the tender offer would be worth substantially less than the inadequate \$26.50 per share.
● The preferred stock would:
(1) provide a dividend of only \$8.00 a year for the first three years;
(2) provide dividends that would come after the very heavy debt service Whittaker would be forced to incur to finance this proposed acquisition;

- Both the cash and the preferred stock portions of the proposed transaction would be taxable to you.
The Company Behind the Offer
The Whittaker offer is a two-step deal. For that reason alone, you would be dependent on the preferred stock of a company you should know about.

- Just where is Whittaker's money coming from? To finance this proposed offer, Whittaker can only obtain \$50 million from general corporate funds and will have to get the rest of what it expects to be about \$320 million from unsecured credit agreements and short-term commitments. Whittaker had to get modifications of its loan agreements to make these borrowings. These modifications are only effective for 18 months, and there can be no assurance that Whittaker will not need an extension of these modifications and that such extensions could be obtained.

- The debt load that Whittaker will incur under this offer would seriously weaken its capital structure. Whittaker's current debt ratio would drop from 1.63 to 1 to 1.20 to 1. Its debt-equity ratio would climb from .48 to 1 to 1.27 to 1. You would be exchanging stock in a well-capitalized corporation for "preferred stock" in a corporation now seriously overloaded with debt.
● More than half of Whittaker's operating profits come from sales in the volatile Middle East. The loss of this business, Whittaker admits, would have a material adverse effect on the company. However, the agreement to operate its Saudi Arabian health-care project extends only through August 1983. And, Whittaker's Saudi minority partner is getting an increase of his percentage in the project from 30 percent to 49 percent later this year.

- Whittaker appears to be "under foreign ownership, control or influence" within the meaning of the Defense Department's Industrial Security Regulation. For that reason, if Whittaker controlled Brunswick, Brunswick would have to file new forms with the Department of Defense to continue its existing contracts. Indeed, Brunswick could lose those contracts and be unable to get others.
● Being heavily involved in the Middle East, Whittaker is subject to the provisions of the Arab boycott. There is no record of how it has complied.

- Whittaker announced in February 1980 that it was being investigated by the SEC in regard to its Saudi connections. What are the results of that investigation?
● Whittaker has already been denied authorization by the Canadian government's Foreign Investment Review Agency to acquire a Canadian subsidiary of a U.S. company. There is no assurance that it could get such authorization now in regard to Brunswick's Canadian operations.

Consider the kind of company Whittaker is and the offer it is making for your own company and contrast that with the following: Brunswick has just reported record earnings, \$3.01 per common share, for 1981. We recently increased our dividend, the 12th increase in 11 years. We have achieved the balance among our four business groups that we have been working toward for many years, and our outlook for the future is brighter than ever.

Although we are bringing suit against Whittaker, the Board has also directed its investment bankers to explore all alternatives to protect your interests. In the meantime, we urge you to reject this offer. We will be sure to keep you advised on further developments affecting your interests.

K. Brooks Abernathy
K. Brooks Abernathy
Chairman and Chief
Executive Officer



Bath hoping for revival in spa traffic

BY MARK WEBSTER

BATH IS hoping to tap commercial funds to revive the city as a health spa. Bath Spa Development Company was launched yesterday to get the spa business flowing again.

Some 25 per cent of the development company with an initial share capital of £100,000 is held by Bath City Council. The remainder is held by the European consortium which studied the idea.

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Consumer backing for Sunday trading

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

NEARLY TWO-THIRDS of consumers favour revising shop opening hours - including Sunday trading - according to a survey published yesterday by the National Consumer Council.

The move is the 11th over the past decade to amend the 1950 Shops Act governing opening hours. Previous attempts have failed and chances of the new Bill becoming law are not good.

Present legislation is anomalous - for example you can buy gin but not milk on a Sunday, you can also buy a Chinese takeaway meal, but not fish and chips.

groups which include trade unions, religious organisations and many big retailers. Lady Trumpington said yesterday: "The results of the new poll should make all those who oppose Sunday trading and more late-night opening think again."

PAPERS PRESENTED TO THE NATIONAL ECONOMIC DEVELOPMENT COUNCIL

Information Foreign companies could provide thousands of manufacturing jobs boost urged

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

ABOUT 40,000 to 50,000 manufacturing jobs are likely to be provided in the next three to four years by foreign companies investing in Britain, according to the Industry Department.

The department said in a paper presented to yesterday's National Economic Development Council meeting that foreign-owned companies employed just over 1m people in 1977 - the latest year for which census of production figures are available - or 14 per cent of total employment in manufacturing.

Investment decisions taken by foreign companies during 1980-81 should add 10,000 to 15,000 jobs a year in the next three or four years.

The EEC countries came to Britain, and currently the UK accounts for about half of all Japanese investment in the EEC. The department said it gave selective financial aid only to projects which would "benefit the UK."

Conflict over exchange controls

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE TUC and the Treasury disagree sharply about the effects on the UK economy of abolishing exchange controls, according to two papers presented to the National Economic Development Council (NEDC).

Both agreed in their papers that the result had been a surge in overseas portfolio investment which was three times as much in 1980 as in 1979 - when exchange controls were abolished.

On the other hand, the volume of direct investment overseas by UK companies was thought not to have been greatly affected. Investments tend now to be made using sterling rather than foreign currencies.

direct investment abroad is a higher percentage of gross domestic product than French, German or Japanese direct investment abroad. The TUC was worried that large British companies would continue to increase the proportion of their output which is made abroad and that "this may represent a long run trend leading to further disinvestment and plant closures in the UK."

Bearings maker to cut 50 jobs

BRITISH TIMKEN, which makes roller bearings, is to make 50 hourly paid workers at its Daventry, Northants plant redundant. It has asked for volunteers.

EEC budget deal 'covers this year'

BY IVOR OWEN

THE ARRANGEMENT negotiated by the Prime Minister in 1980 to safeguard Britain against excessive EEC budget contributions could be extended to include 1982 if necessary.

Mr Eric Heffer, Labour's front bench spokesman on European and Community affairs, suggested that Britain would be required to pay something like £1,400m this year.

Mr Atkins described this as the "unadjusted contribution." He told Mr Heffer: "You know perfectly well that it is going to be adjusted because of the stand the Government took in 1980."

He confirmed that the EEC Council of Ministers had finally agreed to challenge in the European Court of Justice the validity of additions made in the budget by the European Assembly.

Commons Sketch

Sadly, no European encore from Ted Heath

THE GOVERNMENT is planning no celebrations to commemorate the 10th anniversary of Britain's entry into the Common Market.

Talks on Leyland peace plan end in deadlock

BY IVO DAWNAY, LABOUR STAFF

CRUCIAL TALKS aimed at halting the fortnight-long strike by 13,000 Leyland Vehicle workers ended in deadlock last night.

After a seven-hour meeting in London the BL truck-and-bus subsidiary's management said they had failed to persuade the unions to call off the stoppage.

think the resolution of the dispute will be relatively quick because of the condition of the company.

Young says recovery will be slow

BRITAIN is already on the way to a recovery which is sustainable, Baroness Young, the Leader of the Lords, said yesterday.

London Transport and BR urge co-ordinated authority for capital

LONDON TRANSPORT wants control of the capital's transport system to be taken away from the Greater London Council and ownership vested in the Government through the Transport Department.

The proposals follow a memorandum they sent jointly to the committee last summer, arguing that their work was hampered by having different political masters.

The catchment area for the capital's transport should be extended beyond the GLC area to include the commuter hinterlands of the South East.

Empty shops in Bathgate

THERE ARE no queues at the shops in Bathgate. At midday the main shopping precinct of the industrial heart of West Lothian is strangely still.

Empty shops in Bathgate

which the world passes by," said the man in the bank.

Mark Meredith looks at the economic effects on a Scottish town because of plant closure and redundancy

just cleared away their bedrolls from the floor.

Police association rejects outside complaints board

THE Association of Chief Police Officers yesterday reiterated its opposition to a wholly independent body to investigate complaints against the police.

Morality 'no grounds for ban on sex shops'

LOCAL AUTHORITIES will not be able to ban sex shops on moral grounds alone under the Government's new licensing plans.

Consumer Bill committee defeat

THE GOVERNMENT faces new pressure to strengthen consumer legislation in Scotland as a result of the second Government defeat in two days in a standing committee yesterday.

Police association rejects outside complaints board

an external review body, preferably attached to the DPP.

Consumer Bill committee defeat

With most Tory members out of the room, the Labour members of the committee looking at the Supply of Goods and Services Bill carried an amendment by five votes to four in favour of extending its provisions to Scotland.

Jenkins favourite to be next PM

ROY JENKINS, joint leader of the SDP, is favourite to be Prime Minister after the next general election, according to a poll of the bookmakers.

Steel union agrees to 'wage freeze'

THE MAIN steel union, the Iron and Steel Trades Confederation, has finally bowed to the British Steel Corporation's refusal to make a wage award in the current year.

Tebbit discounts strike threats

MR NORMAN TEBBIT, the Employment Secretary, yesterday largely dismissed trade union threats of political strikes and law breaking in protest against his new employment legislation.

Insurance staff seek higher offer

GUARDIAN ROYAL EX-GRANCE has increased its pay offer to its 8,000 UK insurance staff to 8.5 per cent on salaries plus a 2 per cent cash bonus.

CBI opposes reduction in male pension age

THE CBI yesterday told the Commons select committee on social services that the male retirement age should not be reduced as part of the fight against unemployment.

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Indian rights

THE Indian Association of Alberta says 184 British MPs have agreed to support its demand for greater protection of Indian rights in Canada's constitution.

Guernsey work permit

GUERNSEY'S PARLIAMENT yesterday decided by a majority of one vote—24 to 23—to go ahead with a controversial measure to introduce work permits for newcomers to the island wanting to take up 'gainful employment.'

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AUTOMATION

ADVERTISEMENT

New British robot company established in Central Lancashire

THE FIRST example of British-Japanese co-operation in robot manufacturing, Dainichi Sykes Robotics, has been set up in central Lancashire to market robots in the UK and Europe.

The move follows an agreement reached last year between the £125 million turnover Sykes Group, a private company with major oil interests through its Shaws Fuels subsidiary, and Dainichi Kiko, one of Japan's leading industrial robot manufacturers.

The agreement was a breakthrough in that it was the first time that a Japanese robot manufacturer had been prepared to transfer robot technology to a British company.

The Dainichi-Sykes range consists of ten different micro-computer controlled robots with a lifting capacity from less than a kilogramme to over two tonnes. This is claimed to be the widest range available from any robot manufacturer.

Most of the robots can be programmed to undertake a variety of industrial tasks including palletising, handling, sealing, cutting, machine tending, welding and assembly.

Many of them have a pneumatic balancing feature, specially designed by Dainichi Kiko in Japan, which allows the load carried by the robot arm to be counteracted and, therefore, smaller and more economical electric motors to be used.

Dainichi-Sykes will, however, not

simply sell robots but complete automation systems.

The company has recruited a team of qualified engineers with extensive experience in application design to ensure effective integration of the robots into manufacturing processes. The company also provides comprehensive after sales technical support and maintenance.

The next stage in automation, process robots are installed and production lines controlled by computer, is the linking of computerised production control systems to financial data bases. With this in mind, Dainichi-Sykes is already discussing the possibility of co-operation with several leading computer manufacturers.

Dainichi-Sykes is operating from a new factory which has been provided by the Central Lancashire Development Corporation at Walton Summit near Preston, just off the M6. It is anticipated that about 130 jobs will be created through the initiative over the next two years.

Agreement with the Corporation means that future growth is unlikely to be inhibited through lack of space, as an eight acre site is available at Walton Summit when acquired.

Europe

In addition to the U.K., Dainichi-Sykes will also be marketing robots in Europe and agents are currently being sought in France, Spain, Germany, Portugal, Italy, Greece, Yugoslavia, Austria and Switzerland. The company has conducted a

comprehensive study of the European robot market which estimates the total annual growth rate by 1984 at 2,500 units.

British industry has to date fallen behind the European automation movement, with only 500 robots installed. Even with a predicted annual growth rate of 200-300 units by 1984 Britain has a great deal of catching up to do.

Scandinavia and West Germany have led Europe so far in robot introduction, each with approximately 1500 units installed to date, and substantial growth is expected to continue in both areas. Apart from these, Britain and France are predicted as the leading growth markets for the next few years.

Despite anticipated increases in robot installation, Europe as a whole lags well behind Japan, where the current sophisticated robot population is estimated at 10,000 units.

Japanese production is already running at about 3,000 units a year, most of which are destined for Japanese industry. Dainichi Kiko's current production capacity is 1,200 sophisticated robots a year from highly automated factories at Kofu, 100 miles west of Tokyo, and at Ebina in Tokyo itself.

Technology

The technology of industrial robots is advancing so rapidly that all major robot manufacturers need to invest heavily in research and development in order to stay competitive. Dainichi Kiko's commit-

ment to R & D is exceptional even by robot standards, with over a third of its Japanese employees involved in advanced research and development.

Shortly after the agreement between the Sykes Group and Dainichi Kiko was finalised, a high level Government team led by the then Industry Secretary, Sir Keith Joseph, visited Tokyo to encourage co-operation in high technology areas between British and Japanese manufacturers.

The Government had already shown its commitment to the application of robots by active support through Department of Industry grants for companies planning to invest in automation. Since 1981, manufacturers have been able to obtain grants of up to 50% for feasibility studies and 25% for development and installation of robot systems.

The Government believes that the future of British manufacturing companies and hence the prospects for the economy depend largely on the determination of British companies to make up lost time and take advantage of the benefits of automation wherever possible. Otherwise it will prove increasingly difficult to improve productivity and compete at home and abroad with those manufacturers which have already seized the opportunity to automate.

Dainichi-Sykes hope that the British robot industry can play a major part in ensuring that this transition takes place, as quickly and effectively as possible.

Room for high-technology growth in Central Lancashire

THE MOVE of Dainichi-Sykes to Walton Summit is the latest result of a campaign by the Central Lancashire Development Corporation to attract more high-technology companies to the new town area.

Bordered by the M55 to the north, the M61 to the east, and straddling the M6, the area takes in the existing towns of Preston, Leyland and Chorley and a population estimated in March last year at 247,000.

Three motorway links connect the area with Liverpool, the new container terminal at Seacombe, the East Coast ports and Manchester Airport.

The original industrial base in textiles has been steadily eroded over the years. Even the major companies, Courtauld and the Carrington Virells Group, have shed 3,500 workers between them since 1979 and unemployment among the 140,000 workforce in the new town area has grown from under 6 per cent in January 1980 to 11.8 per cent at the start of this year.

Despite these and other major redundancies, the rate of unemployment remains below the regional and national average.

Partly this is due to the existence in central Lancashire of industries requiring a high proportion of skilled craftsmen, and partly to the area's success in attracting new, high-technology, growth industries which are less recession-bound than more traditional industries.

Components for the Tornado, the new joint British/German/Italian multi-role combat aircraft, are produced at British Aerospace's Preston factory and assembled and tested at Warton, and at Chorley Plessey (UK) are now producing the sophisticated electronic equipment for the new generation of GPO telephone exchanges.

Within the new town area, Leyland Vehicles have invested £100 million since 1979 in new assembly lines, warehousing and a 140 acre test track and engineering research centre.

Other companies, such as Rockwell International, who manufacture newspaper printing presses, and GEC Traction, who make control gear and motors for electric

locomotives have combined with these to create a substantial pool of skilled labour that has already begun to attract high technology companies to the area.

Hoflora, a private company specialising in heat-treating and fluid-forming exotic metals such as titanium for the aircraft and defence industries, recently moved into two factories totalling 39,000 square feet on the Walton Summit site near Preston.

Near neighbours are LC Automation, a four year old company designing and producing sophisticated micro-electronic control systems for machine tools and automated production systems.

Oainichi-Sykes Robotics, the first British-Japanese joint venture in industrial robot manufacture, moved in in June last year and has already earmarked room for expansion.

Skilled labour

The new town's ability to keep pace with the hoped-for influx of high-technology companies will depend largely on further expansion of the skilled labour pool, partly by continuing to attract skilled labour to the area and partly by training.

Government cuts have affected plans by the Manpower Services Commission to expand training services in the North West, but a relatively healthy total of 660 adults and around 1,000 young people are currently training at the Preston Skillcentre in the new town area and at nearby Skillcentres in Blackpool and Acreington.

The Commission also sponsors around 270 places a year at Blackpool College of Further Education, Preston Polytechnic and Lancaster University. About 120 are for

general management and business training and the emphasis with the other 150 is heavily on high-technology training, especially in micro-electronics, design draughtsmanship and engineering skills.

In addition to running standard courses, the Skillcentres are actively involved in preparing training packages for local companies - both large companies with specialist training needs and smaller ones who lack their own training facilities. Such courses normally cost around £80 per man per week - £113 for the more complex ones such as electronics - and can be run on the company's own premises if required.

New industries breed young and fast-growing companies, and Central Lancashire Development Corporation has been careful to include a high proportion of smaller units among the 155 factories built to date on Corporation land.

Over 1.6 million square feet of industrial floorspace has already been let and some 400,000 is currently available with a continuing programme of factory building under way.

Within the available stock there are forty small units between 1,000 and 9,000 square feet, nine larger units of up to 30,000 square feet and a major warehouse of over 100,000 square feet.

The units are grouped on employment areas at Walton Summit just off the M6 at Bamber Bridge (240 acres), Moss Side near Leyland (240 acres) and a smaller, 56 acre development at Roman Way north of Preston.

Currently, central Lancashire has Intermediate Area status, which means that qualifying companies may apply for selective financial

assistance from the Department of Trade and Industry.

The Corporation itself offers advice on grant applications or planning matters for companies building their own units, and in some cases negotiates 'flexible' financial arrangements with new companies to assist their cash flow during the setting-up period.

Housing

On the housing front, sharp cut-backs have led to a decline in rented house construction, but the Corporation retains a bank of some 4,000 rented homes as well as giving substantive encouragement to private house building.

Most of these are in 'village' developments, which feature a mixture of about 1,500 rented and private houses grouped around a village centre with shops, pubs, village hall, supermarket and primary school.

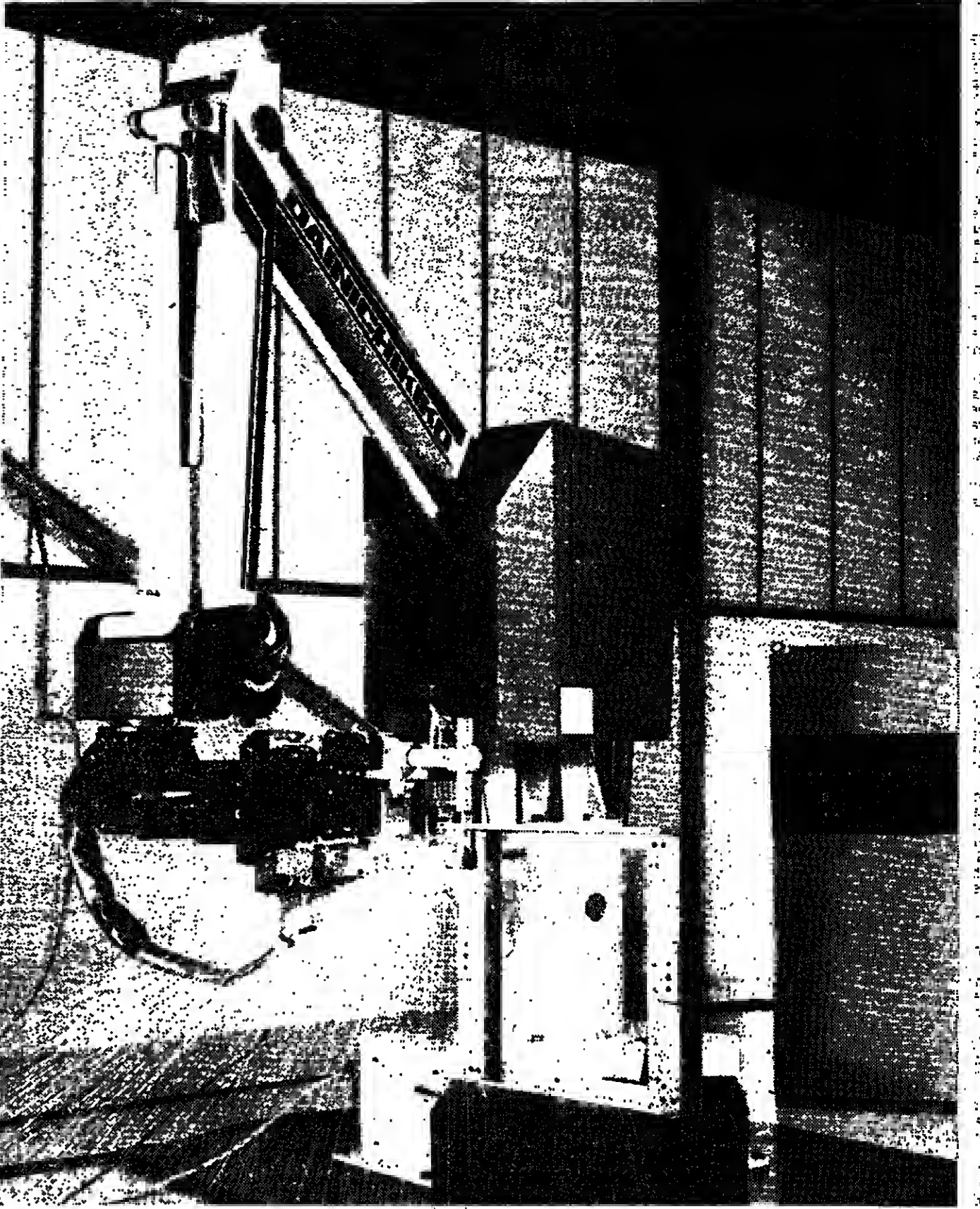
Each village provides homes for between 3,500 and 5,500 people with good access and transport services to nearby towns and is designed to include a high standard of landscaping and open space.

The Corporation owns two nurseries which have supplied over one million trees and shrubs for landscaping to date and it recently opened a new 700 acre country park in Cuerden Valley near Preston.

Initiative

The ultimate success of the Corporation's strategy in attracting high-technology companies to central Lancashire is as likely to depend on the initiative of British industry as upon the local package of amenities - particularly when it comes to grasping opportunities for technological co-operation with more advanced Japanese and American industries.

Initial signs, however, are promising that central Lancashire could eventually become to high-technology industry what it once was to textiles.



ONE of the advanced, computer-controlled robots in the Dainichi-Sykes range fitted with a heavy-duty gun for spot welding.

"I thought we'd be the most exciting newcomers to Central Lancashire since the Spinning Jenny."

by Malcolm Sykes, Chairman, Dainichi-Sykes Robotics.



"Perhaps as a Yorkshireman I was prejudiced, but Central Lancashire didn't exactly sound like a hot-bed of high technology to me.

At least, that's what I thought when my Group went into partnership with the Japanese to produce advanced industrial robots, and Central Lancashire New Town was suggested as a location for our new factory.

Quite frankly, I wondered whether the place would still be mills, mills and even more mills. And so I went up to Preston to see for myself.

The advance factory was the first surprise. It looked as though it belonged to the next century, rather than the last one.

The industrial estate looked just as prestigious. (That was important, because we could expect to be dealing with international companies.)

However, what impressed me most of all was the number of high technology firms already in the area - British Aerospace, Rockwell, Plessey, GEC and British Nuclear Fuels to name but a few.

They meant we could be confident of finding the skilled workers and specialist suppliers we'd be needing.

And they meant something else, too.

There was a ready-made market on our doorstep.

Central Lancashire is an ideal location for high technology. If you'd like to know more about our factories and facilities, phone Bill McNab, our Commercial Director.

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Government committed to encouraging high-technology industries

THE MANUFACTURE and use of high-technology products by industry are seen by the Government as a key element in the evolving industrial scene. Funds have been set aside to encourage companies to invest in new equipment, such as robots, while the Government is also prepared to give some support to companies setting up or expanding in the manufacture of high-technology products.

The Government is also active in encouraging collaboration between companies which involve the transfer of technology such as that agreed between Dainichi and Sykes.

Mr. Kenneth Baker, Industry Minister with responsibility for the high-technology industries, signed an agreement at government level last Spring which laid the groundwork for technological collaboration between British and Japanese companies in a number of sectors.

The Dainichi-Sykes agreement was a forerunner of the type that the Government hopes to see, and was cited by officials visiting Japan

last Autumn as an important example of the Government's policy on robots.

Other sectors where development could be speeded up as a result of technological collaboration with the Japanese include telecommunications equipment, computers, biotechnology, and computer-aided manufacture.

Support

Government support available for companies interested in installing a robot falls into two categories: consultancy and applications. The Robot Advisory Service, operated by the Production Engineering Research Association with Department of Industry finance, offers one day visits, free of charge, to companies to help management decide if they can justify installing such equipment.

If there appears to be a good case, PERA will undertake up to 15 man days' advisory project work on a 50 per cent cost basis.

Support is also available to companies wishing to employ independent consultants to conduct a similar advisory project.

When a company decides to install a robot, the Government will provide a grant of up to 25 per cent of the qualifying costs for approved projects. Alternatively, a company might agree to take a newly designed robot over an agreed period of time for the purpose of evaluating it in application.

The scheme is operated by the Department of Industry to help both makers and users of robots. British industry has been slower to automate than its competitors. Mr. Baker recently in the House of Commons said that manufacturing industry would soon face the choice of "automate or liquidate".

He stressed the opportunities available to industry with the help of Government grants, and, although encouraged by the response so far to the various schemes, he emphasized that "our

major international competitors are well ahead and we cannot afford to let up the pace for a moment."

The Government is keen to see a strong British-based robot industry which will be able to supply the increasingly sophisticated needs of users for robots and associated equipment. This is why the Dainichi-Sykes joint venture, which will lead to manufacture in Britain, is important.

As well as providing jobs in the north-west, the Sykes manufacturing rights are the foundation for a developing range of British-made robots and automation systems.

Several other high-technology industries are being fostered by the Government in a variety of ways. They include computer hardware and software, automated manufacturing systems, information equipment, and biotechnology.

These are all considered to be industries of the future, along with robots, which require a certain amount of pump priming if they are to develop into fully-fledged industries.



THE new Dainichi-Sykes factory at Walton Summit near Preston.

TECHNOLOGY

EDITED BY ALAN CANE

Computer for board designers

ACCORDING TO International Technology Marketing in the U.S., a technical consultancy that specialises in the computer graphics industry, the complexity of the latest high density large sized printed circuit board is "beginning to exceed the mental ability of their designers and the time required for manual layout is becoming unacceptable."

The problem of converting circuit functional ideas into the familiar serried ranks of integrated circuits is approaching the level of difficulty experienced in the design of the ICs themselves. For some time now it has been necessary to design circuits without computer aid. Thus, over-increasing design automation is the keynote in a CAD system market presently worth £120m worldwide and likely to treble by 1986. It was only £45m in 1978. Between 1978 and 1984 the growth rate will turn out to be some 35 per cent per annum, says ITM, and will probably hold at 20 per cent through to 1986. There are now more than 1,000 cost-effective users of CAD systems for board and circuit design. In general, "effective" for boards and hybrid circuits centres on the cost and time compared with manual methods.

Unavoidable

But in the integrated circuit field, the need for extensive databases, large files of "cells" (function circuit elements) and shapes and the need for great precision have all meant that computer assistance is unavoidable. ITM also points out that there is a decreasing amount of repeatability in the content of a modern board containing large and very large scale integrated circuits (LSI and VLSI). Chip functions are now so complex that, once several of them are interconnected, the result is usually unique and is rarely repeated.

Furthermore, whereas 100 ICs were considered a large number several years ago, 300 to 400 may now be placed on a single board—even a few 500 IC boards have been designed. So, the inclination of the

Large circuit boards are now stretching the competence of their designers to the limit.

GEOFFREY CHARLISH explains how computers can help.

Turnkey CAD Systems Installed (Worldwide) By Producer and Application (End of 1980)

Company	Total	PC	IC	Non-Electronic
Applicon	650	215	175	260
Auto-Trol	325	10	—	315
Calma	550	55	275	220
Computervision	1,600	400	80	1,120
Gerber Scientific Instrument	100	100	—	—
Gerber Systems Technology	125	15	—	110
Information Displays	50	5	—	45
Intergraph	230	—	—	230
Nicolis CAD	75	30	—	45
Redac	200	200	—	—
Scientific Calculations	50	50	—	—
Summagraphics	40	25	—	35
Others	250	20	10	220
Totals	4,245	1,125	540	2,600

Source: ITM

electronics equipment manufacturing industry towards CAD grows. But to justify acquisition of such a system, estimates of savings or payback periods are generally required.

According to the consultancy, a rough approximation of minimum workload to justify the purchase of an interactive CAD equipment is that an average of 50 to 60 new designs or major modifications should be performed annually, assuming the designs to contain about 100 equivalent integrated circuits per board. But smaller boards with less workload might well justify the acquisition of one of the cheaper digitising editing systems.

All of this and a great deal more is dealt with in a major 500-plus page report from ITM, available in this country from International Planning Information of 134 Holland Park Road, London W11 (01 221 0998). Entitled "Printed and Integrated

Circuit Computer Aided Design, 1981," the report differs from many published about the electronics industry in that it does not confine itself to market considerations, which are relegated to the back of the book. Instead, it tackles equipment and technology head on, comparing and evaluating functional performance, configurations, characteristics and costs.

In the area of board design systems in particular, ITM identifies a number of advances and trends, including the increased use of colour graphics (using colours for the layers of a board for example), higher resolution, processor power at the display station (relieving load on the host), a move towards 32-bit host computers to give more speed and accuracy, and the use of distributed processing (in common with many other kinds of computer-based systems). Distributed processing in par-

ticular is allowing multi-workstation operation without too much degradation of performance at each.

Perhaps the most interesting trend, however, is the concept of the "cradle to grave" common database in which data is introduced into the CAD system at the earliest possible moment in the design cycle and then utilised as late as feasible in the manufacturing/test sequence.

Recently, systems have begun to emerge in which the logic design and simulation is carried out on the system and immediately put into the database. It can then be drawn on by the PC layout program and in addition, assembly/drilling/test data can be made automatically available to manufacturing teams.

Supplement

ITM also believes that there is a cost per work station terminal below which a "huge market for PC board design will open up"—it might be £20,000, £15,000 or £10,000, no one yet knows. But several companies are working on low cost systems. In addition, voice actuated systems are starting to appear to supplement key-boards and screen menus.

Of some significance, too, is the entry of IBM into the market with a comprehensive board design system, licensed from Bell Northern, for operation on the 370/4300 computer. ITM believes that other computer majors may also enter the market—a sure sign of its increasing importance.

Drawback

Like other researchers and observers, ITM has also produced its own league table for the installed base market position. It turns out that in terms of board systems, Computervision has the lion's share, followed by Applicon and Redac. But on the IC side, Calma has sold most.

The report will be of the utmost interest to companies using, or about to use CAD, although the price, £585, might prove a drawback for some.



The pharmaceutical processing device scheduled to make its first flight in the Shuttle in July.

Space test could aid medical treatment

AN experimental continuous flow electrophoresis device, designed to show that drugs of extremely high purity can be produced in quantity under zero gravity conditions is being assembled by the McDonnell Douglas Astronautics Company in St Louis.

(Electrophoresis is a process which separates materials in solution by subjecting them to an electrical field. On Earth, gravity provides considerable restraints, limiting the purity and output.)

The process used in space could be the forerunner for an orbiting factory able to produce large quantities of pure cells, enzymes, hormones and proteins useful for treatment of a number of diseases. The experimental unit results from a joint McDonnell-NASA agreement under which the latter authority will provide flight time in the fourth Shuttle due for launch in July.

Another agreement between the Corporation and the Ortho Pharmaceutical Corporation calls for studies to evaluate the feasibility of commercial production in space.

● A device which could help cut the death rate of patients undergoing open heart surgery has been developed by a Scottish company and the medical research unit of Papworth Hospital, Cambridge. Known as cardiomy reservoir, the plastic device takes over oxygenation of the blood during surgery. At present

about 90 per cent of similar reservoirs used during Britain's 15,000 open heart operations each year are manufactured in the U.S.

Interobra, the company of Glenrothes, Fifeshire, hopes that the British device will eventually be used by the 44 open heart surgery units in the UK and end U.S. dominance in the field.

The Scottish device is of an entirely new design and contains a pressure relief valve, the first of its type in the world.

Although it still has to undergo animal and clinical tests, production of the models should start shortly at Braidwood Developments in East Kilbride, part of the Interobra group, and the components will be manufactured in a "clean room" at Glenrothes.

Interobra, which employs 200 people, expects that production of the reservoirs will provide eight new jobs.

● In the UK, Fall Biomedical of Portsmouth (0705 753545) has introduced the Ultopor, a new type of bacterial filter for anaesthetic machines and ventilators.

The filter contains a hydrophobic medium which, the company claims will not "wet block" and thus allows free breathing in both expiratory and inspiratory lines, particularly downstream of humidifiers. The filter is available in cases of 40.

MAX COMMANDER

DIY fibre optics kit

A DO-IT-YOURSELF fibre optic design kit for a variety of industrial applications is on offer by the U.S. General Electric Company.

Claimed to be low cost, the kit allows glass fibre links up to 100 metres in length. The kit includes silicon phototransistors which convert and detect light signals sent down the fibres into electrical signals, plus gallium arsenide light emitting diodes which generate the light signal.

Norbain Electro-Optics, which markets the kit in the UK says that it is particularly applicable to industrial process control, computer peripheral links, medical equipment, and for use in hazardous environments. More information on 0734 864411.

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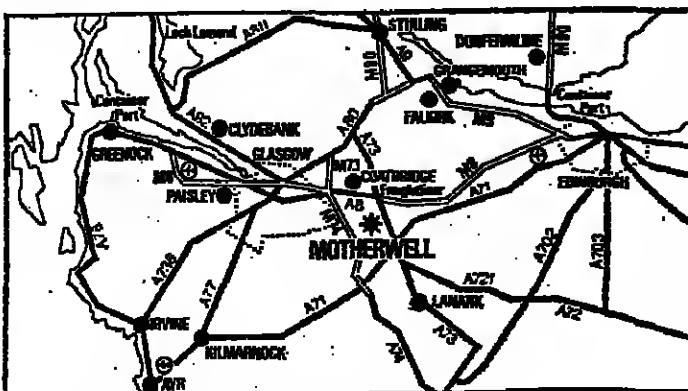
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† SOURCE DELOITTE, HASKINS AND SELLS — JULY 1981.



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Bikes, weighing and sorting in Kew

WHEN Mr Finn Kennedy, managing director of Clothkits, wanted a bicycle, he went to Kew.

(Clothkits is the Lewes mail order firm which makes kit form clothes for most of NW5 and the rest of the world as well.)

In the Old Powerhouse at Kew, Mr Andrew Richie makes the most collapsible, collapsible bicycle to be had anywhere. It is also the home of Grosvenor Reeve, an entrepreneurial little engineering design shop.

So as well as his cycle, Mr Kennedy came away with a fully automated parcel weighing and sorting machine designed and built by Grosvenor Reeve.

No ordinary mailer this, it weighs and sorts packets and parcels into the appropriate mail bag, rings an alarm when the bag is full and switches the mail stream to a fresh bag. It records and prints bag tickets for the Post Office for each sack and provides a print-out of management information including daily totals.

According to Mr Tim Reeve of Grosvenor Reeve the machine can handle one packet every three seconds. It has its own built in real-time computer system.

There is a visual line display to instruct the operator and diagnose faults. All the data

needed to run the system is protected against power failure, and indeed a failure on the part of the operator.

Grosvenor Reeve is working closely with Clothkits on a new machine which will automatically pick up bundles of cloth

and lay them on cutting tables. The Old Powerhouse is on 01-948 5626. If you want a folding bike ask for Andrew Richie. If you want a mailing machine (or a hydraulic mining vehicle or a truck which steers sideways) ask for Tim Reeve.

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EARLS COURT LONDON

Energy efficiency in all the process industries is the subject of a survey by the Process Plant Economic Development Committee of NEDO.

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Energy efficiency will dominate plant design

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE NEED to raise the level of energy efficiency in all process industries will dominate the design of plant to be used by these industries in the next 20 years, according to a report prepared for the Process Plant Economic Development Committee of NEDO.

The report, compiled at the request of the EDC to improve the awareness of process plant manufacturers to technical change, covers four sectors—oil, gas, coal and steel.

The process plant industry in the UK consists of more than 900 companies, of which only 11 have a turnover of more than £50m.

It is an industry which has a critical place in heavy engineering, but the EDC is concerned that it ranks only sixth in the world in terms of market share for hardware.

This is in spite of the fact that the contracting industry, which designs, manages, procures hardware, erects and commissions plants, is well represented in the UK.

Lack of consultation at the planning stage between customers, manufacturers and contractors has been a drawback to the efficient operation of the industry, according to the EDC. The report sets out to make up for some of these deficiencies, detailing the sort of changes that can be expected to end of the century. Energy efficiency predominates, but other considerations such as ease of maintenance, environmental methods, and development in control and instrumentation will all be important.

In the oil industry, for example, the report—based on extensive interviews with customers—points to the continuing pressures for improved efficiency of gas turbines used in offshore installations.

More use will also be made of waste heat, while many improvements are still capable of being made in combustion and

control. For inshore installations, notably refineries, more waste heat recovery equipment will be required, and co-generation, employing different fuels, will become more common.

In the gas processing industry, membrane processes may replace cryogenics in separation plants, and in methanol plants.

Some of the most important developments in energy recovery are expected to take place in the coal industry. Much of the equipment that will be used is already in operation in the UK, but the report specifies that mining equipment, including conveyors, needs continuing improvement in reliability. The National Coal Board estimates that about half of the delays in the coal face are attributable to mechanical failures.

Cost reduction will be a major priority in the steel industry, involving more efficient utilisation of production resources (plant and manpower), energy conservation in the production process and the substitution of cheaper sources of energy, improving product yield and quality.

This is expected to be implemented via changes in all the key steelmaking processes which will have considerable significance for the process plant industry. Process control in steel making is also developing, leading to the automatic control of many operations, for example, gauge control on-rod bar and strip lines; coating thickness on strip coating lines; automatic mill set-up; metal heating furnaces, giving more uniform heating and saving energy.

The process plant industry in the UK is "arguably" in a position where it is not like many of its competitors in other countries, it is not linked with the contractors and client process industries. Part 2: Of gas, coal and steel. Process Plant EDC. Price £10. NED Books.

Alert, lively, well-informed, the readable guide on all aspects of applied science and technology

Technology Week

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Pursuant to Clause 7 (B) of the Trust Deed dated June 15, 1977 under which the above described Bonds were issued, you are hereby notified that a free distribution of Shares of our Company at the rate of 1 share for each 10 shares held, will be made to shareholders of record as of February 26, 1982.
As a result of such distribution, the Conversion Price at which Shares are issuable upon conversion of said Bonds will be adjusted pursuant to Condition 5(C) of the Bonds from 977.5 Japanese Yen to 882.7 Japanese Yen effective as of the close of business in Tokyo on February 26, 1982.
JUSCO CO., LTD.
Dated: February 4, 1982

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

Thanks to luck and good marketing, Ruddles has transformed itself from an unknown into a highly profitable regional brewer. Report by Richard Lambert.

How Ruddles made its own luck

SIR NICHOLAS GOODISON, chairman of the Stock Exchange, is a fair, serious-minded enthusiast who spends his weekends tracking the product through the streets of London. Salsbury's customers lay it up by the gallon.

In the space of ten years, G. Ruddle and Co., the Rutland brewery, has been forged by a combination of luck and good marketing from a moribund local business into a highly profitable regional brewer.

The process will be taken a step further at the end of this month when nearly a fifth of its shares will be placed on the unlisted securities market in a move that will value the company at upwards of £8m.

Mr Tony Ruddie, now 45, is the third generation of his family to run the business. When he joined in 1959, he found the company was too small to survive, producing around 10,000 barrels of beer a year—all of which was sold within a radius of about 35 miles of the brewery.

Whitbread owned a third of the shares, and had helped to protect its independence in a period when small local brewers had been taken over by the scene. But Ruddies was not making enough money to maintain its already very limited facilities.

The company could not afford to expand its sales by building up its own tied estate of public houses. "This is a sensible way for an established brewer to get bigger," says Mr Ruddie. "But it is out of the question for a tiny company with no funds."

The first real break came in 1968—just when the major grocery chains were starting to apply for liquor licences—and Tony Ruddie saw the scope for selling beer to them in non-returnable packages under private labels.

The initial selling trip to London was a big moment. Few of the big grocery chains knew what Rutland was, let alone Ruddies.

All the same, Waitrose agreed to launch a light ale under its own label, and over the next ten years a string of other big grocers followed suit.

At one stage, the company was making beer under 23 different labels.

In the early 1970s came the next stroke of luck, in the

shape of a highly vocal and successful pressure group, the Campaign for Real Ale.

Some of the major brewers took the line that CAMRA was an agent of the Communist revolution, but Tony Ruddie—with a different set of priorities—actively supported the campaign from the start, and made sure that Ruddies was associated with the swing to traditional brews.

All of a sudden, pubs in London were actually seeking out Ruddies' salesmen—and then came an even more fundamental change.

The take-home trade also jumped on to the CAMRA bandwagon, and the business grew by over 40 per cent in the mid-1970s as grocery chains and off-licence groups, including those owned by rival brewers, started to stock Ruddies beer under its own label.

By 1977, annual output had shot up to roughly 80,000 barrels, and the company was facing serious financial problems.

The surge in private label business had brought lots of volume, but not much profit, debt loomed much larger than shareholders' funds, and in financial terms the company was fast running out of control.

"We had just grown too fast," says Mr Ruddie.

The obvious move would have been to sell out to Whitbread. But at this moment of great financial pressure, Mr Felix Merz, a business consultant, was asked to come up with a coherent business and financial plan.

This involved a much bolder strategy. Ruddies decided to raise funds by selling all but one of its 38 pubs, which at that time accounted for about 15 per cent of its sales.

"The decision to sell the tied estate was seen by the rest of the licensed trade as the end of the company," says Mr Ruddie.

In reality, it was the salvation of the business. The sale transferred the balance sheet, and enabled Ruddies to concentrate its resources on production and marketing.

Mr Merz became part-time finance director and, with others, bought out the Whitbread shareholding. Since then, Ruddies' policy has been de-

veloped under three broad headings.

● Growth has deliberately been held back to a controlled and sustainable rate. The current plan is to double output over the next decade.

● Increased emphasis has been

more as the high-priced German imports than the big national brands.

"We want to be the Gueci of the beer business," says Mr Ruddie. "The major grocers and off-licences are relieved to find someone selling quality as

conventional bottles in all sizes. Rather than producing under a variety of different names, its private label business (around a fifth of sales) is concentrated on Salsbury's, Safeway and Waitrose.

"Lots of regional brewers are proud of their beer," says Mr Ruddie. "But very few of them go in for sophisticated packaging."

Ruddies is different. A new half-litre bottle will be introduced in April, a ritzy-looking affair with foil-wrapped tops.

By this process of rationalising the product range, concentrating on premium branded products, and investing heavily in new plant, the company's profitability has been transformed.

Sales have climbed by about a half in value since the turning point in 1978, while profits before tax have risen over the same period from next to nothing to £717,000 in the year to last March, and to £458,000 in the first half of the current year.

The return on capital is over 30 per cent, a figure that would have been inconceivable if Ruddies had hung on to its tied estate.

"With profits on this scale as well as a sound balance sheet, the company can expect to finance its planned expansion out of internal resources," Mr Ruddie learned a lesson from 1977-78. With no portfolio of pubs left to sell, it waits the security that comes with a very conservative balance sheet.

This month's share placing will bring a relatively large slug of new capital into the business. Ruddies is determined not to let its recent successes go to its head. There are no plans for acquisitions or for diversification.

Instead the company intends to continue on its present course of controlled expansion, and since it currently accounts for just 0.2 per cent of the UK beer market, it hopes that it will be able to buck brewing industry trends into the foreseeable future.

Says Mr Merz: "We realise we are very unimportant. So long as we don't have ideas beyond our station, and stay a specialist brewer in the quality end of the market, this company should continue to do well."

opposed to cheapness."

This approach has been especially successful at Salsbury. Aggregating its private label purchases and Ruddies' branded products, Salsbury now takes about a fifth of the company's sales.

● As the third strand of its development policy, the brewery has rationalised its production and packaging. It has concentrated on the half-pint wide-

mouth bottle, as opposed to

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year, at rate card costs, the MEAL figures £1,847m, a 24 per cent increase on 1980, according to figures from Media Expenditure Analysis.

As the difference between

the largest percentage increases occurring in office equipment (+64 per cent), finance (+44 per cent) and publishing (+36 per cent).

Expenditure in MEAL's 10 biggest product categories last year was as follows: food,

£309.9m (+32 per cent on 1980), retail and mail order, £269.1m (+24 per cent), finance, £132.3m (+44 per cent), motoring, £123.4m (+4 per cent), leisure equipment, £109.2m (+30 per cent), drink,

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But times were changing: "The more those of us in advertising base our work on proper research and planning, the more likely it is that advertising will be accepted as a proper economic process," he said.

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sector. But Coca-Cola says its estimated UK turnover is running at more than £200m annually, across all sectors.

In the cola sector, Coca-Cola holds approximately 45 per cent of UK sales.

"There is intense pressure from own-label brands," this company said yesterday. "This is true of the soft-drinks

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National television advertising remains the most important element of its support programme, says the company, though there will also be widespread promotional activity in all sectors of the retail trade, plus intensive consumer promotion.

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When sales ratios help, and when they hinder

ADVERTISING - TO - SALES ratios, useful though they be, can be a trap for the unwary as made clear by M. J. Waterson, research director of Britain's Advertising Association, in the launch issue of a new and impressive quarterly publication, Journal of Advertising.

He emphasises that the main value of such figures is as an aid to help analyse general trends in the relationship between advertising expenditure on the one hand, and sales data on the other, in a variety of markets and product categories.

He says the ratios shown in the table are more difficult to interpret than is usually the case, the reason being that the long TV strike of 1979 reduced the amount of money spent on advertising in that year, but also caused a substantial overspill of expenditure into the first quarter of 1980.

Thus the ratios were lower in 1979, and higher in 1980, than they would otherwise have been.

Equally, he says, it is impossible to compare movements between the various product groups on the assumption that they were all equally affected by the strike, because TV expenditure is much more important as a percentage of total advertising in some sectors than in others.

"The main value of the figures," says Mr Waterson, "is to enable general trends to be analysed."

The absolute values of the ratios in the industry-wide categories quoted in the table are not true advertising-to-sales ratios, he says, because while comparative ratios at the brand or product level are based on more or less accurate sales data, the industry-wide ratios have to use a proxy for sales: usually figures for consumers' expenditure.

"For example," he says, "the absolute value of the ratios for the food sector is not very revealing because total consumers' expenditure on food—the divisor used to calculate the ratio—includes a vast range of products, many not advertised at all, and as different as cheese and frozen faggots."

Similarly, there is little value in comparing the ratio for toiletries with the ratio for clothing. The first is 20 times as big as the second, but this reflects many factors, such as the importance of other promotional techniques, the degree of competition for market share, methods of distribution,

themselves, via special discounts or whatever.

It should be noted, incidentally, that the table of advertising ratios in the Journal of Advertising carries numerous footnotes, for which space is not available here.

The Journal replaces the AA's Advertising Magazine, originally

ESTIMATED UK ADVERTISING-TO-SALES RATIOS BY PRODUCT GROUP, 1969-80

Product group	1969 (%)	71 (%)	73 (%)	75 (%)	77 (%)	79 (%)	80 (%)
Food	1.06	1.00	1.04	0.73	0.89	0.81	0.98
Clothing & footwear	0.52	0.40	0.31	0.23	0.28	0.26	0.21
Automotive	0.92	0.59	0.74	0.62	0.72	0.80	1.02
Drink & tobacco	1.18	1.17	1.19	0.96	1.08	1.13	1.33
Toiletries & medical	7.32	6.02	6.52	5.79	6.00	5.60	5.07
Household & leisure	1.97	1.66	1.69	1.29	1.71	1.83	1.92
Publishing, books	2.23	2.07	2.55	1.67	2.09	2.15	2.32
Tourism, entertainment, foreign	0.89	0.85	0.79	0.67	0.63	0.70	0.70
Nationalised industries, Government	0.36	0.36	0.37	0.21	0.22	0.27	0.29
Retail trade	0.38	0.39	0.55	0.57	0.68	0.69	0.74
Savings	1.09	0.96	0.65	0.39	0.55	0.42	0.41
Financial	0.51	0.45	0.50	0.42	0.46	0.57	0.60
Industrial							

Source: Advertising Association

the form of retail outlet supplied, and so on.

"Clearly, the best methods of selling nuclear power stations may differ from those found effective in the shoe polish market, and a high advertising to sales ratio in one area cannot necessarily be compared in any sense with a low one in another."

On the other hand, he says the ratios in the table are still useful in illustrating long-term trends.

For example, by roughly averaging the figures given for 1979 and 1980, the effect of the TV strike can be eliminated to show that, increasingly, the control of advertising expenditure in many fields and product sectors is being transferred to the retailers, even if it is still financed by manufacturers

launched in 1964. It is being sold initially in the UK, but from next year will be available both in Europe and the U.S.

Speaking at the launch of the publication, Jeremy Bullmore, chairman of the Advertising Association as well as chairman of J. Walter Thompson/London, said that people in advertising knew it was easy for their efforts to be dismissed as only marginal to the mainstream of the economy.

But times were changing: "The more those of us in advertising base our work on proper research and planning, the more likely it is that advertising will be accepted as a proper economic process," he said.

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THE BRITISH IN AMERICA. THE ROMANS IN BRITAIN.

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	Readership	Penetration
Management Today	146,000	17.1
Economist	70,000	8.3
The Director	41,000	4.8
Chief Executive	21,000	2.4

...And even some of the national newspapers.

	Readership	Penetration
Financial Times	167,000	19.7
Management Today	146,000	17.1
Times	104,000	12.2
Guardian	84,000	9.9

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JOBS COLUMN

Supreme challenge for a middle-manager

BY MICHAEL DIXON

"YOU'LL obviously have ordered the tracker dogs already," I said. "But wouldn't it be wise to have a squad of SAS on hand as well, just in case the person you're chasing tries to escape by taking hostages?"

"Oh, we shan't need anything like that," replied the smooth voice of the Tzack and Partners headhunting company. "It's not an easy job, to be sure. But we're confident we shall find the person needed to do it."

All the same the Jobs Column cannot believe people will be scrambling over one another to follow Sir Peter Masefield as chairman and chief executive of London Transport. Beyond a chap called Hercules, who has probably retired, I can't recall anyone with the sort of track record required.

What has been termed the world's largest public transport authority has (as most readers will know) suffered various mind-boggling events which have left it with something in common with the psychology profession. To wit: far from having any idea of where it is going, it does not even know where it stands.

London Transport's affairs seemed entangled enough when Sir Peter, previously deputy chairman of British Caledonian Airways, took over 18 months ago. Few would envy him the tasks—including the whipping into line of a some-

what wayward board — he inherited from his predecessor sacked after a management consultants' report had described LT as "weak in skills that are required to run a large business."

The body which did the sacking was the group of Conservative politicians controlling the Greater London Council. That group has since given place to a Labour majority with noticeably more faith in the applicability of socialist theory than any of its predecessors. It is this group which will presumably do the appointing when, not to say if, Tzack's Nigel Humphreys assembles a short-list.

Meanwhile, however, the Labour group has been by no means inactive. In October it sharply cut the fares for travel on London Transport's buses and, mostly underground, railways. In December the big increase in subsidy from taxpayers required to finance the fare-reductions was ruled out by the Law Lords. Three weeks ago the Greater London Council voted to double the fares from March 21. Nine days ago it apparently voted not to.

The present LT chairman is thus in a not altogether clear-cut position. Nor does the 1969 Act of Parliament supposedly regulating London Transport seem to be of much help.

On the one hand the Act states that LT must obtain the council's approval of "the

general level and structure of fares."

On the other, it also states: "Nothing done by the Executive shall be held to be unlawful on the ground that the approval or consent of the Council to the doing of that thing was required by any provision of, or implied by, this Act and that it was done without obtaining that approval or consent."

So while Sir Peter knows LT will be acting unlawfully if it doesn't put up the fares next month, he is unsure whether or not it will also be acting unlawfully if it does so.

On the brighter side he has the Government's promise to empower the council to offer concessionary fares for disabled and elderly people, and to borrow £125m over five years to help in pay off a deficit whose size is evidently something else of which no one can be sure.

Moreover, he can hope that in 12 days time the council may change its mind again and confirm the fare increases. Failing that, Parliament might be persuaded to amend the 1969 Act so that it ceases to be entirely ambiguous. Or failing that, the courts might tell the LT chief how he can avoid acting illegally. So the middle seems likely to be less magnificent by the time Sir Peter leaves around the middle of the year.

That, I hope, may have given some idea of the broad conditions of the job being offered through Tzack. As well as success in senior general management with a big concern, preferably in transport (LT has about 60,000 employees and roughly £700m annual expenditure), the newcomer will need to have skill in dealing with politicians and officials in both central and local government, and to be supremely diplomatic.

The salary is only about £36,000 and, since the indicated age is 50-plus, the most likely candidates might be managers willing to follow success in private enterprise by testing themselves for the next five years in a public concern.

But to pass the test the recruit will have to do more than straighten out the aforesaid labyrinth. Millions of judges will not be satisfied until, for example, confused tourists are no longer found—as this column found one on Monday—wondering why they have vainly waited an hour and a quarter for a Number 11 bus when the notice at the stop says one will come every eight to 12 minutes.

As a clue to that particular mystery, I offer prospective candidates my own recent findings. During 10 minutes when I stood waiting for a No. 11 at Liverpool Street Station, four of them arrived only for their crews to climb out and vanish. In the meantime, two other buses which would have

taken me to my destination pulled in, discharged a few passengers and sped away empty. All of which had no apparent effect on an LT inspector who was standing by, peering at a clip board.

I sidled up, coughed politely and asked him when one of the quartet of idle 11s might stir itself. "Not for a long while yet," he muttered. "You see, they all came in late, so none of 'em can go."

Anyone capable not only of divining the logic of that sort of problem but also of overcoming it should get in touch with Nigel Humphreys at 10 Hallam Street, London W1N 6DJ; telephone 01-580 2924, telex 21120 ref. 3573.

Church saver

A FAR smaller scale job for a manager aged about 55 is being offered by recruiter Robin Ludlow. He seeks a new secretary for the Historic Churches Preservation Trust, formed in 1953 as a non-denominational charity with the main aim of raising funds to keep in appropriate use wherever possible the 20,000 churches and chapels in England. The base is London.

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£8,000 to £10,000, but perks include a rent-free family-sized flat.

Inquiries to Robin Ludlow and Associates, 11 West Halkin Street, London SW1X 8JL; 01-225 2641.

Kano post

FINALLY today to Kano in Nigeria which will be the base of a project director being sought by headhunter David Sheppard on behalf of the government of the Northern State of Nigeria. The job is to set up an organisation to repair and maintain the government's vehicles, both road-going and otherwise. There will be accommodation for up to 400 vehicles at any one time.

Candidates need experience of working in the Third World as well as demonstrable managerial skill in or around the vehicle-servicing and spare-parts business. An early task will be to assess the merits of having the necessary components manufactured locally.

Arrangements for pay are negotiable but former Lieutenant-Commander Sheppard (who 30 years ago used to strike terror into a certain Midshipman Dixon), says the rewards, including expatriate perks, should interest those able to command about £30,000.

Inquiries to Sir at 21 Cleveland Place, St James's, London SW1Y 6RL; Tel. 01-930 8786.

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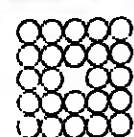
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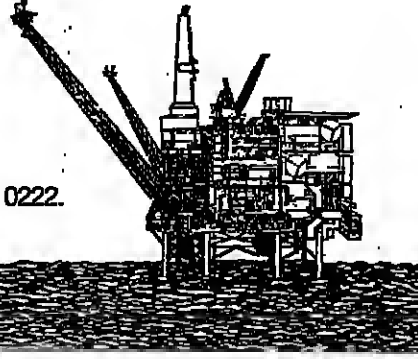
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International Securities Distribution

To join its expanding distribution activity in the international capital markets, County Bank seeks two experienced sales executives.

1. For one, specific responsibility will be to develop further the placement of convertible bonds and other equity-related instruments. The job will include the management of new issue commitments in this sector, and the development of business with both in-house and external accounts in the secondary market.

2. The second post will centre on the distribution of and dealing in U.S. Dollar debt instruments. The successful applicant may already have established relationships with investors in the Far East or another geographical region.

We are offering attractive, negotiable salaries, together with the benefits package normally associated with a leading merchant bank.

Please apply, with details of age, qualifications and experience, together with current salary, to:

Ian Carlton, Personnel Manager,
County Bank Limited, 11 Old Broad Street,
London EC2N 1BB.

CHIEF FINANCIAL ACCOUNTANT

Demnax now has a vacancy for a Chief Financial Accountant in our organisation in London.

The successful applicant will be responsible for implementing and maintaining records concerning the Company's financial performance. He/she must also ensure that the records provide a basis for tax and royalty computations and serve as a record to show assets and liabilities.

He/she will be particularly involved in two key processes:

The preparation and presentation of monthly profit and loss and balance sheet statements.

To undertake financial analysis from time to time

The incumbent will be responsible for 7 staff, should be aged under 50 years, of graduate calibre and professionally qualified as a Chartered Accountant or at a similar level. Previous oil industry experience is essential and experience in setting up integrated computer systems desirable.

Remuneration is excellent and is coupled with all the benefits of working for a small but growing Company in the oil industry. Company car will be provided and career prospects are good.

Applicants who feel they meet the requirements of this position should telephone for a personal history form or write with full details to:

Personnel and Services Manager,
Demnax UK Oil and Gas Limited
Bewster House,
68 Knightsbridge,
London SW1X 7LD
Telephone: 01-589 7033 ext. 222

Financial Controller

£10,500 London EC2

A well known export/import company, associate of a group which has manufacturing interests in Africa and leading interests in Hamburg, Hong Kong and Taiwan is, through expansion, seeking a Financial Controller. Their total volume of business is increasing rapidly, with possibilities of expansion in other parts of the globe. You will be based in the City of London and you will be responsible for all facets of international financing and banking. Aged 35-45 you will be appropriately qualified, having been educated to degree level and you will offer very considerable relevant experience in which international banking will prominently feature. The ability to communicate fluently in at least one other language besides English will obviously be advantageous.

Write with full CV to Barry Johnson,
PER, 4-5 Grosvenor Place,
London SW1X 7SE.

Applications are welcome from both men and women

Financial Reporting and Planning

A Career Move into Oil

London and Overseas **£14,500 +**

The company is the UK subsidiary of a major international US oil corporation with substantial revenue resulting from successful North Sea Partnerships. The company is in the process of expanding its accounting function in London. We are seeking several bright and ambitious accountants to join the financial team. Various job specifications include financial reporting and planning, contractual compliance, tax, royalty accounting and ad hoc projects. Overseas assignments in North Africa and the Middle East are possible. Promotional prospects within this growth environment are excellent. Candidates must be qualified accountants who can demonstrate success through career progression and educational achievements. Knowledge of the oil industry gained directly or through audit would be an advantage but not compulsory. To facilitate successful interface with headquarters, candidates must have exceptional communicative skills. Personal characteristics of determination, initiative, flexibility and enthusiasm are essential. Age is indicated as 27-35. Please reply in confidence giving concise career and personal details and quoting Ref ER 512/FT to J. J. Cutmore, Executive Selection.

AMS Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Folkestone, Kent, CT14 1ET.

A member of the AMSA Group in Europe and of Arthur Young International

Sales Consultant FINANCIAL SERVICES

£10,000 + Car, City based

Moody's Investors Service, the leading U.S. Bond Rating and International Financial Information provider, is expanding its London-based sales team. The Moody's Sales Consultant will rise as Senior Executive level within the Financial and Commercial Community—principally Investment Managers, Security Dealers, Stockbrokers and research organisations. He/she should have a working knowledge of the investment market place and preferably have some previous sales experience. Knowledge of a European language would be useful but is not essential. The availability to travel to Financial Centres throughout the U.K., and possibly Europe, is essential.

Moody's Investors Service is a company of The Dun & Bradstreet Corporation and its European Sales Office based in London is part of the Financial Information Services Division of Dun & Bradstreet Limited. In keeping with a major organisation an attractive compensation package, including a Company Car, is offered.

In the first instance applicants should send a comprehensive cv. to:
Mr. P. H. Steer, Personnel Manager,
Dun & Bradstreet Ltd.,
26/32 Clifton Street, London, EC2P 2LY.

Moody's Investors Service

a company of The Dun & Bradstreet Corporation

TAXATION MANAGER BANKING

Up to £22,000 + benefits

Our client, a major overseas bank, will shortly appoint a Tax Manager to its European Division located in London. Responsibilities will include:

- ★ All aspects of contact with the Taxation Authorities in the UK.
 - ★ Planning and implementing the most tax-effective structure for the bank in the UK.
 - ★ All aspects of tax planning for the Division in conjunction with Head Office.
- It is expected that later on the job will evolve to include working with Corporate Business officers on the tax aspect of customer-related transactions. The ideal candidate will have at least three years post-qualification experience in the taxation department of a major accountancy or legal firm. Alternatively, candidates may come from the tax department of an international bank, large company or from the Inland Revenue. Understanding and experience of the international banking business would also be an advantage, but not essential.

This is a new appointment within the Division and represents a rare opportunity for a Tax Manager with drive and initiative to implement their own suggestions. This position therefore is one in which the person appointed will actually see their responsibilities increasing as a result of their own efforts and which still offers promotion prospects. Remuneration will be competitive and will include attractive fringe benefits associated with banking.

Please apply to Jock Coult

Chichester House, Chichester Rents, **Career plan** London WC2A 1EG. Tel: 01-242 5775

Career plan
LIMITED

PERSONNEL CONSULTANTS

Deputy Managing Director

Expanding Services to Credit Industry, c. £25,000 + Bonus + Car
Stratford-on-Avon

Our client is a rapidly growing and highly successful private company providing a wide range of services nationwide, including consumer debt collection, enquiries on credit status and those relating to sued debt, and credit card recovery. The company is the largest of its kind in the UK and considerable use is made of unique and highly sophisticated computer systems and hardware. Their clients are mostly well known organisations in the mail order industry, leading high street retailers and finance houses. In order to augment the senior management team and provide an eventual successor to the current M.O., the company now seeks a senior executive who can quickly learn the business and gradually assume full responsibility for the administration and long term development. Aged 32 to 45, candidates should be educated to degree level, hold a professional qualification and have a good appreciation

of the use of computers. Some knowledge of the credit industry is desirable but not essential. More important is a proven track record of success at Director or General Manager level in a progressive commercial environment. The demanding nature of this new position calls for not only exceptional business acumen but also a unique blend of highly developed communication, leadership and man-management skills. The starting salary is negotiable and assistance will be given with relocation costs where necessary. Write or telephone for an application form or send brief cv to the address below, quoting ref: GM55/7897/FT on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

6 Highfield Road, Edgbaston, Birmingham B15 3DJ Tel: 021-454 5791 Telex: 337239



A member of PA International

Operations Director

Textiles **£30,000**

This is a new appointment to the Board of a Textile Division within a major British public group.

The new Director will be responsible to the Chairman for the profitable operation of some ten operating companies, each different in size and product, with a combined turnover approaching £100m, and for the development of strategies appropriate to their continued profitable growth.

Candidates, ideally between 35 and 50, should have a demonstrable record of success with profit responsibility for a group of companies disparate in both size and market. Whilst some exposure to the textile industry would be useful it is far more important to have successfully directed a range of companies of similar scale and complexity.

The rewards are negotiable and will include a salary up to £30,000 p.a. plus the usual range of additional benefits associated with such an appointment within a group of stature.

Please write in confidence, initially with brief details, and quoting reference 1209 to John Anderson, as Advisor to the company at:

John Anderson & Associates

Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

ST. HILDA'S COLLEGE OXFORD

The College proposes to elect, with effect from October 1st 1982 (for January 1st 1983) a woman as Official Fellow and Tutor in Economics. The College Statutes made under the Universities of Oxford and Cambridge Act 1923 provide that all Fellows must be women. The appointment is tenable in conjunction with a University Lectureship (O.U.F.).

Further particulars can be obtained from the College Secretary, to whom applications, together with the names of three referees, should be sent by March 6th.



DODOS OR ANALYSTS

The question 'has the Credit Analyst gone the same way as the Dodos?' is currently being asked in the City and certain overseas countries. Although it is accepted that the activities of 'head hunters' have greatly affected the quantity of free range analysts it was not realized that the situation had in fact reached such a critical stage. If however, the rumours of extinction are false remaining examples are asked to contact us.

SENIOR DEPOSIT DEALER

If you've a thorough knowledge of depo's and know your way around the secondary and fx markets, apart from being very clever, you will also be of interest to my client. The bank isn't quite the biggest in the world but its London branch is firmly established and well thought of.

LENDING OFFICERS

U.S. bank credit training would appear to be the ultimate requirement for lending officers, (according to certain London based banks). Experienced lending officers possessing such fortunate attributes plus a desire to move on should apply. A liking for 'burgers and fries' is not a necessity.

LEE HOUSE, LONDON WALL, LONDON EC2Y 5AS.
TELEPHONE: 01-606 6771.

ROBERT HALF

Accountancy & Financial personnel specialists

INTERNATIONAL BANK LENDING

CORPORATE MARKETING neg. c. £18,000
Active international bank seeks a mature banker with substantial experience of developing creditable business in U.K./Europe. Knowledge of a European language would be a great advantage.

"JUNIOR LENDING OFFICER" c. £10,000
An especially challenging opportunity with a major merchant bank for a young Graduate/AB with sound basic credit experience and genuine potential for advancement.

CREDIT ANALYSIS £8,000-£12,000
There are several current—indeed, urgent—requirements for young bankers with solid credit training and experience. They occur at various levels and offer a range of personal development possibilities.

Please telephone Ann Costello or John Chiverton A.L.E.

JOHN CHIVERTON ASSOCIATES LTD.

4th, Castle Court, LONDON, E.C.4, 01-623 3661

Managing Director and General Traders

We are a trading house operating from our exclusive West End offices. Our prime need is for the revitalisation of our general trading business through a hard commercial view of our activities.

We are seeking a number of general traders who would contribute constructively towards the growth of this company. We are also seeking a professional with at least ten years' demonstrable experience in international trade to lead the company.

Candidates should be highly experienced in international trade in all its disciplines, possess entrepreneurial skills, be profit conscious and should be able to make a constructive contribution towards the growth of this company through introduction of new business.

An attractive package is envisaged for both the position of the managing director and general traders.

Interviews for both positions will be held in February/March 1982. Please send full resumes to include present earnings and indicating the position you are seeking, in strict confidence, to:

Box A7747, Financial Times, 10 Cannon Street, EC4P 4BY

YOUNG ACA to £10,000

A leasing company offers to a young, ambitious ACA an excellent opportunity to be trained initially in leasing administration with the further opportunity to progress in the marketing of corporate finance services. As well as tax experience the successful applicant will have a lively personality, and be personable, articulate and well-motivated.

YOUNG FINANCIAL SALES EXECUTIVE to £10,000

Two well-respected companies specialising in corporate finance, computer and leasing activities require young, ambitious sales executives, aged about 25 years. Applicants should have a relevant sales-oriented background, preferably with a financial bias, e.g. in investment, corporate finance or with formal training in computer sales.

Please telephone Brian Gooch

EUROBOND SALES to £15,000

Prominent bank requires well-educated, articulate person with two or three years' experience in the Eurobond area.

Please telephone John Webster

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate - London EC2M 4LX - 01 623 1266

ACA and FUTURE DIRECTOR

WORLDWIDE BASES to £14,000 TAX FREE

Are you a young, ambitious ACA/CA or equivalent, aged 23-35, articulate, logical, self-reliant and able to communicate effectively with senior management in a multi-national environment?

MARRIED or SINGLE, you will be sent on assignments to locations in EUROPE, LATIN AMERICA, the CARIBBEAN and KENYA. Far-flung places as NEW ZEALAND, HONG KONG and SINGAPORE.

Two current directors of the company took this route. If you'd like to follow in their footsteps, please contact:

GEORGE D. MAXWELL
(24-hour service)

Hudson Shribman International

College Hill Chambers, 23 College Hill, EC4 01-248 7851

Financial director

Home counties, c£25,000



For a rapidly growing engineering company among the leaders in its field of technology with an excellent export order book. The company is a subsidiary of a well regarded diverse British group and enjoys a large measure of autonomy.

You will be responsible to the Managing Director for the entire accounting function and for liaison with the parent company on financial matters.

You must be experienced in computer based financial and management accounting, costing, budgeting, the treasury function and international trade.

Resumes including a daytime telephone number to E J Robins, Executive Selection Division, Ref. R060.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DG



Gulf International Bank B.S.C. London branch

Due to continued expansion, which is resulting in a move to new premises shortly, we invite applications for the following positions:

Senior Foreign Exchange Dealer

Required to run interbank spot trading section; age late 20's; minimum of 5 years' experience in active trading room.

Foreign Exchange Dealer

Age early 20's; minimum 2-3 years' experience in active dealing room where good all round knowledge of spot and forward trading gained, plus working knowledge of deposit markets including arbitrage.

Eurocurrency Deposit Dealer

Age mid-20's; experience 3 years plus. To work with Senior Dealer running a varied dealing operation; knowledge of arbitrage/stading/CD's.

Arabic Speaking FX/Deposit Dealer

Required to liaise with banks and institutions in shareholder states; age mid-20's; experience minimum of 3 years, preferably with Arab bank/institution.

Competitive remunerative package including subsidised mortgage, non-contributory pension scheme, private health scheme, etc.

Applications should be addressed to:

Tony Thomcroft
Vice President & Money Market Manager
Gulf International Bank B.S.C.
8/13 King William Street
London EC4P 4LD
Telephone: 01-626 4851

All applications will be treated in strict confidence.

Hoggett Bowers Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Director

Kent, c.£15,000 + car

This is a new position with a company engaged in a specialist area of the construction industry. At present the accounting is not producing enough answers sufficiently quickly or reliably and an important initial task will be to consider the viability of computerisation. Candidates will be qualified, probably 28-35, with a good balance of experience in financial, cost, systems and management accounting, and ideally be aware of the demands of the industry. They must above all have flair and be creative, want and be able to make a real contribution to effective management, and be able to communicate and motivate at all levels both within and outwith the direct financial area.

J.A.T. Bowers, Ref: 21242/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, Sutherland House, 5/6 Argyll Street, LONDON, W1E 6EZ.

FINANCE DIRECTOR-DESIGNATE

c. £15,000 plus car

Worcestershire

Our client is the subsidiary of a substantial and profitable diverse public company engaged in the distribution of oil products to a significant part of the U.K.

The continuing development of the business calls for the appointment of a Finance Director - Designate responsible to the Managing Director who will develop and control all aspects of company financial management and play a key role in the planned progress of the company.

Candidates should be well qualified accountants with sound commercial experience, gained in public companies, of providing a full accounting service working within the disciplines of computerised systems.

The company offers an attractive comprehensive remuneration package which includes a quality car, non-contributory pension scheme and assistance with relocation expenses.

Please send details of your career or apply for a Personal History Form, quoting ref: 5352 to:
Brian Jones, Thornton Baker Associates Limited,
Brzennose House, Brzennose Street,
Manchester M2 5AX. Tel: 061 834 5414

Interviews will be held at locations throughout the United Kingdom
A Member of the Management Consultants Association.

Controller

Croydon Area to £16,000+ car

This post is responsible to the board of a successful service-based group (part of a major British company) for all accounting and control matters including EDP systems development, on a £15m+ turnover. There is considerable scope for personal contribution locally and prospects are not confined to this group.

Candidates should be qualified accountants aged 32-38 with substantial commercial experience, preferably including the financial control of a profit centre in a disciplined environment, with computer support. Starting salary is negotiable to £16,000 with normal big company benefits.

For full job description write in confidence to John Courtis, at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our clients' requirements, quoting FT/7095. Both men and women may apply.

John Courtis
and Partners

Corporate Finance

£12500-£18000+Benefits

Many of the city's leading Accepting Houses and Corporate Bankers recruit their executives through us. We are therefore in a strong position to advise candidates of their marketability and help those wanting to embark on a banking career. Typically we would like to hear from:-

- 1) Young graduate chartered accountants with substantial post-qualifying investigations, corporate tax or insolvency experience.
- 2) Young solicitors with corporate advisory experience.

We can be of positive help to you in your assessment of your own career and introduce you to those banks whose requirements will be in step with your ambitions.

Interested candidates should contact Robert Digby B.A. with details of their careers to date.

David Clark Associates
4 New Bridge Street, London EC4
Telephone: 01-353 1867
A Badenoch & Clark Group Company

Finance Officer Industrial Development

c.£13,000

This is a new, key appointment in the Council's recently formed Economic Development Unit whose aims are to help small, independent businesses to obtain funds for development, thereby enhancing the economic and industrial growth of the Borough. Key tasks will be to meet with companies' senior managers, assess and identify their needs, and help them to secure the agreed financial assistance.

The position calls for a Chartered or Certified Accountant of 28-35 with experience in the appraisal of capital projects and venture funding for small to medium-sized businesses. He or she must be a self-starter, commercially astute and with the empathy to mix successfully as adviser to a wide business community. Knowledge of Government and private sector assistance programmes will be helpful.

Starting salary in the range £12,594-£13,782 with car mileage allowance and removal help in approved cases.
Application forms from the Technical Services Secretary, Sidcup Place, Sidcup, Kent DA14 6BT (01-303 7777 Ext. 8348). Closing date: 19.2.82.

Bexley London
Borough



Lectureship in Accounting

Applications are invited for the post of Lecturer in Accounting at the London Business School.

The successful applicant may currently be employed in an academic post, in business, in a professional accounting firm or in consultancy. He, or she, must be able to teach both financial and management accounting courses at an introductory level to groups of exceptionally capable students in both post-graduate and executive programmes. He or she would also be expected to offer a field of special competence for advanced teaching and research; the field could be any one of Management Accounting and Control, Financial Accounting, Comparative Accounting, Public Sector Accounting.

Starting salary will depend on experience and qualifications and will be in the upper band of the Lecturer scale, £11,544 to £13,827, inclusive of London Allowance.

For further particulars, please write to:
The Faculty Dean, London Business School, Sussex Place, Regent's Park, London NW1 4SA.

Applications with detailed cv. should reach the School by 8th March 1982.

Development and Acquisitions Manager

£16,000 per annum

Birmingham based diversified listed holding company wishes to appoint a Development and Acquisitions Manager. Candidate should be 25 to 40, hold a degree or equivalent professional qualification, have marketing and line management experience and possess an entrepreneurial spirit. Salary £16,000, normal fringe benefits.

Send full cv to:

Box A7743, Financial Times, 10 Cannon Street, EC4P 4BY

Audit Services

Investigations and appraisals of large and complex DP and management systems

Our client, a leading financial institution, has developed some of the most complex DP and communications systems in the country. It uses the most up-to-date information technology and is expanding rapidly to provide additional UK and international services.

Audit Services, an expanding and independent operation, is responsible for the effective appraisal and audit of all its computer and communications systems. Ad hoc financial and systems investigations are an important feature of its work.

Management Auditor package up to £16,000

To identify opportunities for improvement in the operational efficiency and managerial control of management and computer systems. You will need to be a qualified Accountant with experience of auditing and computer based systems; a background in finance or the profession would be ideal. REF 1761A.

Manager, Computer Systems Audit package up to \$17,000

To co-ordinate, and develop the computer audit function. You will have extensive experience of computer based systems, computer and general auditing and be a qualified Accountant; a broad understanding of computer operations, equipment from mainframes to word processors, data communications and software is required. REF 1761B.

Systems Auditor package up to \$15,000

To review and audit the major computer applications and systems including new developments. You will have practical experience of auditing large computer based accounting and reporting systems; an accounting qualification is ideal, but less important than experience. REF 1761C.

Technical Computer Auditor package up to \$15,000

To review and audit a wide variety of computer operations and systems including new developments. You will have programming and IBM operating systems knowledge and experience of data integrity and security and an acute awareness of technological developments in the communications field; audit experience is an advantage but not essential; DP or consultancy background preferred.

You will be joining a small, highly motivated and exceptionally professional team, involved in a variety of assignments requiring initiative and the ability to work under some pressure. REF 1761D.

The rewards are good with a negotiable salary (to be reviewed in March). The total package includes 25 days' annual holiday, non-contributory pension and Life Assurance schemes, BUPA for you and the family, fully paid season ticket scheme and subsidised lunches.

Please, either forward a detailed CV, quoting the appropriate reference, which will be sent direct to the client, or telephone for more information to the number below and ask for ext 355.

Charles Barker

RECRUITMENT ADVERTISING SERVICES
30 Farringdon Street, London EC4A 4EA. 01-236 3011

ACCOUNTANTS FOR INSURANCE

c. £13,500 plus car
plus Substantial Benefits

The Iron Trades Insurance Group is seeking two qualified Accountants, either Chartered or Certified, to assist the Group Accountant in the following areas:

- Preparation of annual and quarterly accounts
- In-depth monitoring of agency and treaty accounts
- Preparation of cash flow forecasts and production of regular management reports
- Development and introduction of new systems.

It will be advantageous but not essential that applicants will have had experience within the Insurance industry and will have been qualified for at least three years. Experience of staff control is necessary as well as an ability to liaise with Senior Management.

Please send a brief career resumé to: The Personnel Officer, Iron Trades Employers Insurance Association Limited, Iron Trades House, 21-24, Grosvenor Place, London SW1X 7JA.

Investment Manager Japanese Equities

Our clients are a leading Investment Management group based in Edinburgh. They are seeking a manager to assume responsibility for a portfolio of Japanese equities.

The successful applicant will have a university degree and/or professional qualification, at least three years experience of managing a portfolio of Japanese securities and possibly have knowledge of other Far Eastern markets.

Remuneration will be according to age and experience.

All enquiries will be accorded strictest confidence. Please write with full details quoting reference EH1856 and listing separately those companies to whom you do not wish your details to be sent. Applications will be forwarded directly to our client.

Charles Barker

RECRUITMENT ADVERTISING SERVICES
26 Rutland Square, Edinburgh EH1 2BW

Banking Personnel

EUROBOND SALES

Age: Late 20's
Capitalize on your proven ability in this volatile market by joining the merchant banking subsidiary of one of the most rapidly expanding international banks as one of their growing team of bond salespeople. £17,000

Please contact MARK STEVENS

SN'R LOANS ASSISTANT

Age: c 30 years
If your extensive background in eurocurrency lending has equipped you to deal with all aspects of the documentation leading to the completion and signing of direct corporate excellent and syndicated loans, this key position within an established consortium bank offers remuneration well above £11,000.

Please ring TREVOR WILLIAMS for further particulars on 01-588 0787.

OUR NAME IS YOUR GUARANTEE OF CONFIDENTIALITY
41/42 London Wall, London EC2. Telephone: 01-588 0781

MERCHANT BANKING EXECUTIVE

Merchant bank based financial institution is seeking outstanding individual. Successful applicant must be commercially minded, age bracket 32-45, preferably qualified accountant and have sound connections in the north of England with professional bodies. The first class remuneration package will include bonus on profit and share participation scheme. It is envisaged that the person appointed will be offered a directorship within 18 months.

Written application confirming full career details will be treated in confidence and should be forwarded to:
Box A7743, Financial Times, 10 Cannon Street, EC4P 4BY.

LOANS OFFICER/CREDIT ANALYST

£10,000 + CAR
European bank requires a Loans Officer in mid-20s with minimum 2 years' formal credit training and 5 years' experience in business development, project finance and natural resource lending. Excellent remuneration package. Expect application within 2 weeks.
Please Michael Keaton, 01-588 7888
MERCHANT BANKING RECRUITMENT
41/42 London Wall, London EC2
(A division of Davies Neill)

Management Accountant

Mid Twenties - City - £12,000 + car.

For the European headquarters of a major international group, which is a leader in its field and which provides a range of financial, marketing and business information services.

Reporting to the Group Finance Director you will be responsible for the preparation of monthly financial and management information and for the head office accounting function. You will also work closely with senior executives in preparing budgets and in improving management information and control procedures of the European companies, using computer-based systems.

You must be a qualified accountant with a first class track record in one of the major accounting firms or an international group. Flexibility, energy and initiative are essential qualities, and prospects for advancement in the UK or overseas are excellent.

Write in confidence to John Cameron, quoting ref. C026, at 10 Bolt Court, London EC4A. (Telephone: 01-583 3911).

Chetwynd Streets

Management Selection Limited

GROUP ACCOUNTANT

c. £15,000 + car

As a result of recent expansion Turnbull Scott Holdings Limited, a group whose principal activities are ship owning and diesel engine servicing, is seeking a qualified accountant who will be responsible for supplying accounting information to the board and supervising accounting functions within the group including annual accounts.

Based in Farnborough, Hants, but visits to subsidiaries throughout country necessary.

Preferred age 35-45. The position requires ability to work with accounts staff at present employed in the group as well as professional/managerial competence.

Interested applicants should apply giving c.v. to:

Mr. R. M. G. Turnbull,
TURNBULL SCOTT HOLDINGS LTD.,
Abbey House,
Farnborough Road,
Farnborough, Hants GU14 7ND.

Managing Director

Computing Industry

As sales of computer aided design equipment and software continue to expand, a new Managing Director is to be appointed by this small (£3m to), independent subsidiary of a major and successful international engineering company. The person appointed will be responsible for bringing together and repackaging the technical computing capabilities of the company which include CAD software packages, CAD systems and bureau services. This will be achieved by determining the thrust of the company from a detailed assessment of the market and identification of its future needs. Sales will then be generated principally from the engineering industry both at home and overseas. Candidates, aged 35-45, should be highly numerate graduates with several years general management experience in the computer industry. They must be familiar with the integration of computers in manufacturing environments and for engineering applications. A period of

responsibility for sales and for the negotiation and structuring of commercial agreements is also important. Personal qualities such as enthusiasm and commitment are vital, as is the ability to weld the present team into a dynamic market force. Opportunities exist for an outstanding person to make progress within this broadly based international group. Remuneration will be by salary and bonus. Candidates currently earning less than £20,000 are thought unlikely to have developed the all-round skills necessary to succeed in this position.

Write or telephone for an application form or send brief c.v. to the address below, quoting ref. GM59/7898/FT on both letter and envelope and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

Norwich Union House, 73/79 King Street, Manchester M2 2JL. Tel: 061-236 4531.



A member of PA International

CHARTERED ACCOUNTANTS for financial management

London/Europe

Our client is a leading multinational manufacturer of pharmaceuticals, agricultural chemicals, cosmetics and medical instruments. Its European headquarters is in London with manufacturing and marketing affiliates in most European countries.

Due to continuing growth the group is seeking a high calibre chartered accountant, preferably aged 27 to 32, with the ability to move into financial management within a short period. Initially in London, future positions will be in manufacturing and/or marketing units in England or Europe.

Essential requirements are an advanced academic education, a UK chartered accountants qualification, well developed communications skills and the desire to achieve maximum management potential in a multinational environment. Prior experience must indicate initiative and success. French, German and/or Italian language capability will be advantageous.

Benefits will include a non contributory pension scheme, life insurance and relocation assistance. The highly competitive salary will reflect past experience and future potential.

Please send brief relevant details, indicating career and salary expectations and highlighting achievements, to Douglas G Mizon (ref. FT122M) at the address below:

E&W Ernst & Whinney Management Consultants
57 Chiswell Street, London EC2Y 4SY

Finance Director

Engineering £15,000-£20,000

This is a new appointment designed to strengthen the management team of a medium-sized public group. Recent re-organisation and rationalisation have been undertaken to prepare for future growth.

Key tasks, in addition to group Board membership are to assist the Board in implementing corporate growth plans and to operate a cost-effective management information system. He/she will also extend computerisation on a group-wide basis.

Candidates, aged 35-45, must be qualified accountants with mature experience of the function in manufacturing. Experience of DP and of cost reduction programmes, preferably in a small/medium public group, is desirable. Salary as indicated, plus usual executive benefits. Location, Northern Home Counties.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence to: S.W.J. Simpson,



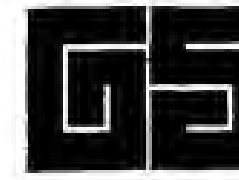
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Director of Finance Europe, Middle East and Africa

Consumer Products c.£25,000 + car

- Our client is a profitable and rapidly expanding major multinational corporation, marketing and manufacturing a range of consumer products, with regional sales in excess of 200 million US dollars.
- They now have a requirement for a Director of Finance to co-ordinate the financial function of the companies within the Europe, Middle East and Africa region.
- Candidates should possess exceptional leadership qualities, be appropriately qualified, ideally supported by a degree, and be able to demonstrate a proven record of success in a financial management role with international involvement. A knowledge of languages, particularly German, and exposure to working within Europe would be further advantages. Preferred age range 35-45.
- The position has potential for further career development, perhaps in a general management role. The benefits package is attractive and the position is based in Central London.

Please write or telephone for an application form to S.W.J. Adamson FCA, Director, Grosvenor Stewart Limited, 117 George Street, London W1. Telephone 01-724 3481 or 0462 55303.



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Investment Analysts

Applications are invited for two vacancies in the investment management department of the Association. Provident Mutual is a well established and expanding Life and Pensions office with a good investment record. Total funds under management exceed £700m and new money available for investment was over £100m last year.

Overseas Equities

We wish to recruit a person to assist in the management of our overseas equities. Preferably applicants should be 24-35 with relevant experience in a similar institution and a professional qualification or appropriate degree. There is a high level of involvement in this appointment and a positive contribution will be expected at an early stage.

U.K. Equities

We also require a trainee investment analyst (24-30) to work within a small team managing our UK equities. The successful applicant will be given training as necessary but he or she will be expected to have a professional qualification or appropriate degree.

Attractive progressive salaries are offered commensurate with experience, plus non-contributory pension, free lunches and after qualifying period generous house purchase facilities.

Please write giving age and details of education, qualifications and experience to: C. Young, Personnel Manager, Provident Mutual Life Assurance Association, 25-31 Moorgate, London EC2R 6BA.

PROVIDENT MUTUAL
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CITY TREASURER

£22,401 - £23,940

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Application forms and further particulars from:
The Chief Personnel Officer, Palatine Chambers,
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Tel: 734079.
Closing date 19th February 1982.

City of Sheffield

SERVICE INDUSTRY

Financial director

Location Ayrshire, c£16,500



The company, a substantial UK group have profitable and expanding subsidiaries based in Ayrshire, Scotland. The subsidiaries have activities throughout the UK and overseas and operate with a high degree of autonomy. Resulting from promotions we have been retained to seek the services of a financial director for two of these companies one of which is engaged in catering and the other in transportation.

The job. Reporting to the managing director, the financial director will be responsible for all aspects of financial planning and control, in addition to managing company secretarial, personnel and other administrative functions. As a key member of a small highly mobile management team, the flexibility and experience to deal with a wide range of situations will be essential.

The candidates. Must be energetic and ambitious qualified accountants, probably under 40, who want to be thoroughly involved in the business. Experience in a service industry environment would be helpful but the key requirements are commitment and all round financial and managerial experience.

Resumes, including a daytime telephone number, to C R Williams, Executive Selection Division, quoting Ref. M981.

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Glasgow G2 7DB

Marketing Director for international company

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Our client is an international £150 million agricultural chemical company. UK based with 12 overseas subsidiaries, and a force in all the major relevant markets of the world.

They are looking for a Marketing Director to take overall responsibility worldwide for the development and strategic marketing of products deriving from a major commitment to agrochemical research.

To be considered, applicants must have above all a successful record with profit aspects of international marketing and product development, ideally achieved in an aggressive scientifically orientated group.

The post attracts a substantial financial package that reflects the importance of the post within the company. It is unlikely that anyone currently earning less than £20,000 would have the kind of experience required and at the right level.

For further details in complete confidence, please write enclosing C.V., quoting ref. FT to P. J. Bryant, (adviser to the company), at Eurosurvey Limited, 43 Albemarle Street, London W1X 3FE.

EUROBOND SALES

To complement our active trading operation we have a vacancy for an experienced Eurobond Salesperson. Salary negotiable. Applications to Mrs. S. Barber, Wood Gundy Limited, 30 Finsbury Square, London EC2A 1SB. Telephone: 01-628 4030.

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Required by leading Japanese Securities House. Some experience preferred, but not essential. Age 19-25. Salary negotiable. PLEASE RING 01-248 8080 EXT. 288

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Rapidly-expanding, research-oriented firm recently opened in London, seeks an ambitious salesperson to assist professional team with UK and/or Continental accounts. Attractive and flexible remuneration package and excellent career potential.

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Senior appointment within the leasing division of a major financial group, requiring a mature executive (28-40) with varied experience in negotiating lease transactions with public and private corporations.
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Responsible, progressive appointment requiring an individual with several years' experience in Euroloan administration, with the emphasis on documentation. Age: 27-35.
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Opportunity with a major bank, for a young but soundly experienced Documentary Credits banker (25-30) to join a small team handling widely varied documentary business.
- EXPORT FINANCE - £8-10,000
Major U.S. bank wishes to recruit a graduate, aged 25-28, with experience in E.C.G.D. procedures, beneficiary credits etc., to work closely with International Trade Finance officers.
Please contact Leslie Squires
Telephone: 01-248 7421 or 01-248 8576
- INVESTMENT EXECUTIVE - c. £12,000
Internationally leading bank with top U.S. bank, for a well-qualified individual (graduate, M.B.A. or A.C.A.) with a sound financial background in banking or stockbroking.
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Experienced Investment Analyst (30-38) sought to take responsibility for performance measurement of equity and fixed interest funds, with additional treasury management involvement. Gulf location; high financial reward and normal expatriate benefits.
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Anderson, Squires
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Our client is a large and successful British group with widespread interests throughout the UK. A young and ambitious Chartered Accountant is sought who will undertake audits at group companies, upgrading accounting systems and procedures where necessary. In addition, he/she will carry out ad hoc investigations, sometimes outside the financial area, aimed at operational and profit improvement.

This highly 'visible' and important role based at group headquarters in central London offers excellent prospects of rapid career progress with an initial promotion envisaged within 2 years.

Candidates, aged around 30, will have had at least 2 years' post-qualification experience in the profession or in industry. Mobility, flexibility, and first-class communication skills are essential. Write with full personal and career details to the address below, quoting ref: AB915/FT on the envelope. Your application will be forwarded directly to the client unopened, unless marked for the attention of our Security Manager with a note of companies to which it should not be sent. Initial interviews will be conducted by the client.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

European Finance Manager

£20,000

Our client is a substantial privately-owned company in a high technology industry. They are active in the UK, USA and Germany with planned expansion in Europe.

They require a positive, self-motivated accountant aged around 30 with knowledge of international business practice in terms of finance and management accounting. The ideal background will be a large public practice followed by a period in the computer industry. The job will be London-based but will necessitate frequent and regular visits to Germany.

Der Bewerber sollte über gute Kenntnisse der deutschen Sprache und gute Beziehungen zum deutschen Bank- und Finanzwesen verfügen.

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The successful candidate is likely to have:-

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Candidates will need to be able to demonstrate a record of successful marketing to the U.K. banks and a knowledge of banking systems including the automation of branch networks. With these qualifications, the person selected will become the Company's prime representative in the banking market, and will be expected to deal at senior management level. The position carries key responsibilities for the formulation and implementation of strategies to exploit both existing and planned products.

The remuneration package offered will reflect the importance of the job and its status in our Client's organisation. There are excellent opportunities for career development in marketing and sales management.

If your career to date equips you for this challenge, please write with brief career and personal details to the Confidential Reply Service, Ref. AMM B339, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

Austin Knight Advertising



Systems Manager

An international bank in the City is seeking a Systems Manager, who will be responsible for all Bank systems, including the control and enhancement of data processing.

Essential requirements for applicants, male or female, are a good educational background and extensive experience of financial systems and data processing, preferably including a period in an international or merchant bank. Some managerial exposure is also necessary and a knowledge of communications techniques is desirable.

The starting salary will be commensurate with the experience offered and will not be a bar to the right candidate. Other benefits are competitive for City banks, including an incentive element.

Applications will be treated in strict confidence. Please write initially stating age, qualifications; experience and current remuneration to Mr. E. Cotter.



Golley Slater Roe Limited
42 Drury Lane, London WC2B 5RN.

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10 Cannon Street, EC4A 3BT

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RETIRED or available Executives: join us in merger/acquisitions, finance, projects, etc. Phone Dr. Tyler 01-789 9963.

CHARLES FULTON (FINANCIAL SERVICES) LIMITED

We are a financial services group specialising in consultancy on domestic and international treasury management matters, including foreign exchange, fund management, taxation and financial futures.

Current development plans require an individual to strengthen our lease broking arm. Experience of brokerage operations would be advantageous, but emphasis will be placed on a broadly based commercial acumen gained in a multi-national or an international banking environment plus commitment to marketing the financial attractions of leasing in all its forms to the private sector.

A first class salary and benefits package is offered to the right candidate and will reflect the importance placed upon dynamism in a fast expanding organisation.

Please reply in writing with relevant career details to: The Managing Director, FULTON PACKSHAW (LEASING) LIMITED, 34-40 Ludgate Hill, London EC4M 7JT 01-248 3242

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In connection with its operations in Britain ALLIED IRISH BANKS LIMITED is to appoint a whole-time Legal Adviser whose functions will include advising the Bank and in particular personnel at the Area Office and Branches in Britain on day-to-day legal matters arising in the course of banking business. The appointee will join the Bank's team of Legal Advisers reporting to the Group Law Agent and will be based in London. Salary and conditions of employment will be negotiable but generally will be in line with those enjoyed by the Bank's existing Legal Advisers.

Applications will be considered from practising Solicitors in the 25-35 age group with experience in commercial, company and property law and conveyancing. Experience in banking law will be an advantage.

Applications marked "Strictly Confidential (Legal Adviser)" with full curriculum vitae should be addressed to:

The Group Law Agent
ALLIED IRISH BANKS LIMITED
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Ballinacorney
Dublin 4

Controller

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The position calls for a Qualified Accountant with at least 3 years broad industrial experience, including preparation of accounts, budgetary control and standard costing. Career prospects are first-class for someone with the potential to undertake increasing responsibilities as the group grows.

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A LEADING FIRM IN THE LONDON EQUITY AND GILT-EDGE MARKETS WISHES TO RECRUIT THE FOLLOWING STAFF

An Experienced Gilt-edge Sales Executive

A Senior Economist

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Financial Times Business Information Limited requires an experienced statistician with management experience in the development of computer-based systems for storing and analysing numerical data. The person recruited will assist in the development and implementation of on-line economic and financial data banks with analytical facilities.

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Please apply in writing to:
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The Financial Times Limited
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London EC4A 3BT

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

Financial Instrument Specialist

A London-based sales office of a major international investment group requires a Financial Instruments Specialist. The successful candidate must be qualified with the NYSE, NASD, CFTC and CBOT and have a degree in finance. A minimum of six years' experience dealing in financial instruments—U.S. Treasury bills and bonds, Ginnie Maes, Repo and Reverse Repos—in these markets, ability to advise international corporations and banks on cash management through this type of activity and to develop new international prospects is essential. Salary circa \$25,000 with usual fringe benefits.

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CREDIT OFFICER

is required with the necessary experience in the UK and international lending in order to take over the responsibility of the newly-established credit department. To a certain extent, the activity will involve ratting-lending in the West End branch. Marketing ability and willingness to travel are essential. Salary negotiable according to experience, including excellent bank benefits.

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 - * AUTHORITATIVE PERSONALITY

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Middlesex £11,000

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A medium sized Lloyds Broker is seeking an experienced business producer. The successful applicant will have served his/her apprenticeship within the market and will have established a report with the leading figures in the market.

Candidates must have a proven record at business production from at least one of the major business areas, i.e. USA, Canada, South America, Australia, Far East or Europe.

Candidates should possess a relevant qualification, be aged 30-40 and be available for frequent visits to Europe.

Telephone G. J. Clark on 01-422 8218 in strict confidence (who is advising the company on this appointment)

US/CANADA EQUITY SALES

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An international bank requires an Asian Marketing and Credit Officer who will be expected to develop and expand the bank's Asian business across a broad range of banking products. This senior position mandates a banker with at least 10 years' experience—some of which must be gained through working with a recognised bank in Asia. Broad credit and marketing experience in progressively senior positions and familiarity with foreign exchange activity management and investment banking products is required. Education to degree level and Japanese language experience are essential. Age 34-44. Position is based in London but requires extensive travel and relocation to Asia is probable. Salary negotiable.

Please send full career details to:

Box A.7751, Financial Times
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£10,000-£12,000 plus commission
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International Appointments

INTERNATIONAL APPOINTMENTS
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London Merchant Banker

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The ideal applicant should be a business graduate aged between 25-30 with a UK, US or German educational background, who has spent between 2-5 years in an international bank.

Based in London, the successful candidate will receive a broad exposure to international merchant banking and will assist in the development and processing of European business. Fluency in German is essential.

The salary will reflect the individual's ability to make a contribution both in the UK and overseas. R. Digby B.A. - Consultant - REF: 723.

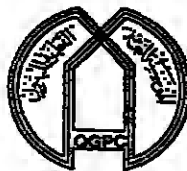
David Clark Associates
4 New Bridge Street, London EC4
Telephone: 01-553 1867
A Badenoch & Clark Group Company

CREDIT OFFICER

required by French subsidiary of major North American bank to aid its Manager, Eurocurrency Loans, in the assessment of new loan proposals and supervision of existing international loan portfolio.

Candidates should have at least two years' experience in credit analysis and be acquainted with Eurocurrency lending and documentation. Fluent English and a working knowledge of French are essential. Salary commensurate with age and experience.

Please address curriculum vitae with photo to:
Mrs B. Hodges
The Royal Bank of Canada (France) S.A.
3, Rue Scribe
75440 Paris Cedex 09, France



QATAR GENERAL PETROLEUM CORPORATION NORTH FIELD GAS DEVELOPMENT PROJECT

THE North Field Project for the development of the natural gas of the North Field-Offshore the State of Qatar—is one of the world's largest gas projects. At this stage, facilities will be installed for producing over 2 billion cubic feet of gas per day, transporting the gas ashore, producing fuel gas for local consumption and about 6m tpa of LNG and shipping/transporting the products which also include condensate, raw NGL and sulphur.

A team of top level experts with varied and extensive relevant experience in large development projects in the Oil and Gas Industry and fluency in English is sought to cover the various fields of knowledge and expertise needed for the project:

- PROJECT ECONOMIST, preferably an engineer economist.**
Experienced in project evaluation and particularly in the evaluation of joint-venture agreements and in the LNG business.
- LEGAL CONSULTANT**
Experienced in the formulation and negotiation of sales contracts, joint-venture agreements and engineering and construction contracts.
- PROJECT ENGINEER**
Experienced in project and engineering management in the contracting business and particularly in large scale gas development projects.

- STRUCTURAL ENGINEER**
Experienced in the design, construction, operation and maintenance of offshore structures.
- PETROLEUM ENGINEER. (Production-Oil Reservoir)**
Experienced in the design, construction, operation and maintenance of offshore production facilities.
- PROJECT PLANNING SPECIALIST**
Experienced in project cost estimation and in the planning and management of large projects.
- FINANCIAL CONSULTANT**
Experienced in planning and negotiating financial aspects, including financing joint-venture agreements.
- MARKETING EXPERT**
Experienced in marketing particularly in the formulation of LNG sales contracts and joint-venture agreements.

Excellent salaries and fringe benefits are offered. No local income taxes.
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THE CHAIRMAN
EXECUTIVE TECHNICAL COMMITTEE—NORTH FIELD
QATAR GENERAL PETROLEUM CORPORATION
P.O. BOX: 3212 DOHA, STATE OF QATAR

SENIOR FINANCIAL ANALYSTS

Oil Industry Tripoli
£15,200 Min. Tax Advantages

Oasis Oil Company of Libya is one of the world's major exporters of oil. Our operations are wide-ranging and involve Petroleum exploration and production, gas processing, computers, power stations, pipeline and terminals.

We now have vacancies for two Senior Financial Analysts in our Internal Audit Department which is based in the Mediterranean town of Tripoli. Those appointed will report to a General Auditor who is, in turn, directly responsible to the Chief Executive of the Company.

Candidates, preferably in their early 40s, should be qualified Chartered Accountants with at least ten years post-qualification experience in audits of large corporations — preferably in the oil industry.

OASIS BENEFITS PACKAGE

- Furnished married/single housing provided for Tripoli based personnel.
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THE ARTS

Terra Nova by MICHAEL COVENEY



Robert Powell

Leonard Burt

Philharmonic Hall, Liverpool/Radio 3 Cowie's Concerto by DAVID MURRAY

The premiere Tuesday night of Edward Cowie's Concerto for Orchestra was transmitted on Radio 3 to great effect. No doubt this charming, multi-coloured score sounded even more vivid in the hall, where Howard Williams and the Royal Liverpool Philharmonic set about it with ringing conviction; but the BBC engineers managed wonders in their own line.



Buddy Rich, Louis Armstrong and Oscar Peterson

Record Review

Singing with Verve by KEVIN HENRIQUES

Aside from blues, gospel and spirituals, jazz singing has almost exclusively been inextricably linked with the Great American Popular Song. The earliest jazz-influenced singers, those who added to and embroiled the tunes of the day and gave them that special treatment which put them outside the general mainstream of commercial pop music, were led in the 1920s and '30s by Mildred Bailey and Ethel Waters. They were followed majestically and, some would aver, uniquely, by Billie Holiday.

Wigmore Hall Israel Piano Quartet

Having played Beethoven's own arrangement for piano quartet on 10 and Faure's C minor piano quartet, both somewhat uncertainly, at lunchtime on Monday at St. John's, the Israel Piano Quartet returned to the Wigmore Hall on Tuesday with the same Beethoven, and also, more readily, unquestioningly, to launch a series of concerts presented there this month by Israeli artists and ensembles.

St. John's, Smith Square

Lindsay Quartet by ANDREW CLEMENTS

The last of this season's New Macnaghten Concerts enfolded one birthday celebration within another. The series has been celebrating its own 50th anniversary, and on Tuesday added Elizabeth Maconchy's 75th birthday to the roster: her 11th and 12th string quartets framed the concert, both of them written for the Lindsay Quartet who played them here.

THEATRES

ADRIAN & ADRIAN CC 01-836 7811. DOVLY CARTE. Opera by Gilbert and Sullivan. Tickets £10.00. Box office 01-836 7811.
ALBERT & ALBERTA CC 01-378 6585. The Boy in the Yellow Hat. Tickets £10.00. Box office 01-378 6585.

FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT. F.T. CROSSWORD PUZZLE No. 4,789. 1 Effect vessel-to-vessel port transfer (8). 2 Ticker in quarters (6). 3 Elefant ran back in store-house (7). 4 Not on duty in force - that's irregular (3-4). 5 Scientific instrument of the merry-go-round (10). 6 Animal on its back in marsh-lands (4). 7 Kind of vegetables taken by nurses (5). 8 He normally had a second helping (8). 9 What might be shown as "N" in Roget? (8). 10 Married to firm and kept under (5). 11 Harse-farm boss (4). 12 Foot giving value in the ordinary things we say? (10). 13 Medical disorder sometimes recurring (7). 14 Win a flagship (7). 15 Way to travel - walk with long steps (6). 16 Novel site for cricket (6). 17 Tiller set about one more rosy-cheeked (7). 18 Bertie sounding like one in 22 Leading light? (5). 19 Out-lawed in the old forest (5). 20 Leading light? (5). 21 Out-lawed in the old forest (5). 22 Leading light? (5). 23 Wagner's venue for European Song Contest (9). 24 Conclude hell does not (5). 25 Braille transcription for third party? (7). 26 Crossed lines in traditional environment (9). 27 Undergraduates collectively make 20 - a record (9). 28 Without meaning, like a poor match at Twickenham (9). 29 Immoderate Essex vice, possibly (9). 30 choir festival (7). 31 Out-lawed in the old forest (5). 32 Leading light? (5).

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
Telegrams: Finantim, London PSA. Telex: 8954871
Telephone: 01-248 8000

Thursday February 4 1982

Press freedom in S. Africa

THE INDEPENDENCE and quality of the South African press, particularly the English-language newspapers, are well-known to come as a bumpy surprise in a country where anti-democratic values prevail and where editors have to contend with a host of legislative restrictions. The role of these newspapers is especially important since the parliamentary opposition is puny and the ruling party has dominated white politics for more than 30 years.

Argument

Against this background, this week's proposals of the Steyn Commission of Inquiry are ominous and alarming. The Government has not yet revealed its own position but its first response makes it clear that the sword hangs by a very thin thread over the head of South Africa's journalists.

The Steyn Commission arose out of the government's long-festering irritation with the activities of the press, coupled with its conviction that South Africa was facing a "total onslaught" from within and without. The answer, according to Steyn, is to improve the quality of journalism by turning it into a "profession" on the model of doctors or lawyers. It follows from this argument that there should be a roll of journalists, together with a General Council, a statutory code of conduct, examinations, entrance fees, and so on.

It follows, too, that there should be discipline. "Unprofessional conduct" would attract hearings, suspensions, fines, and expulsion from the profession. The Steyn Commission, therefore, seriously proposes that only those journalists "licensed" by the Council should be allowed to write in the South African press.

Apparent

At this point it comes as no surprise to discover that Steyn's Council would be initially appointed by the government and later composed in a manner which appears certain to give a large majority to a combination of government nominees and pro-government journalists. South Africa's editors have already and almost unanimously

described these proposals as equivalent to censorship and the end of press freedom.

It will be apparent to anyone in the Western democratic tradition that the Steyn Report is based upon misconceptions about the role of the press and the task of the journalist. However flattering to our trade, the comparison with law or medicine is misleading and unhelpful. As for the problem of inaccuracy or libel, South Africa like many other countries already has laws and press councils available for redress.

Gratified

The commission has also taken the opportunity to tackle another long-standing National Party grievance, the drift towards monopoly in the Press and the shadowy presence of the Anglo American group behind the liberal English newspapers. There is something to be said for legislation to reveal the identity of Press shareholdings (in the pro-government as well as the English papers) but the Steyn proposal—that shareholdings be limited to 1 per cent of public companies—seems exaggerated, as well as curious from a government that claims belief in the market economy.

South Africa's leaders profess to represent white western values in a continent submerged in black dictatorship; they cry out for friendship and assistance from the West; they have recently been gratified to find an American administration apparently more sympathetic to their cause.

Yet the Steyn proposals are anathema to the First Amendment let alone to the democratic traditions of Western Europe. Mr P. W. Botha has said that his government is not committed to implement the proposals. He should be encouraged by the West to consign the Steyn report to the archives.

The high cost of air travel

THE DRIVE to lower the cost of air travel throughout Western Europe appears to have run out of steam. In view of the financial state of much of the airline industry, this is hardly surprising. The airlines are suffering from the effects of recession, reduced traffic growth, and rising costs of fuel, labour and other charges. Some of them over-extended themselves with large-scale purchases of new equipment and are now being kept afloat only with the support of their bankers and governments; they are anxious to see fares going up rather than down. But these cyclical problems have very little to do with the fundamental reasons why air fares in Europe are too high—lack of competition, artificial restrictions on entry, excessive regulation by governments and national protectionism.

Damage

The airlines can point to the enormous losses being incurred on the North Atlantic route—over \$500m lost by the scheduled airlines on this route last year, with no resultant real increase in traffic (only 2.3 per cent up in the first ten months of 1981). To see the airlines see it, it would be suicidal to extend this sort of free-for-all to routes within Western Europe. Hence there is a marked lack of enthusiasm on the Continent for the continuing efforts by the UK Government to get fares down.

Yet the disparity in fares between, say, a journey from London to Athens and a comparable journey within the United States remains illogical and a barrier to the development of air traffic within Western Europe. Fares are too high because costs are too high. The main thrust of reform must be towards removing unnecessary costs and putting pressure on the airlines to increase efficiency. It is true that because of the many sovereign states involved European air transport is much more complex than anywhere else in the world. The bureaucratic obstacles which stand in the way of the deregulation which has taken place in the U.S. are immense. Yet without some co-ordinated moves in this direction by

governments, it is hard to see how fares can be brought down.

De-regulation is sometimes blamed for the current financial state of the U.S. airline industry. Some European airline executives have argued that the forces of "consumerism" and the free market ideology which have inflicted such damage on the American industry must be prevented from having the same effect in Western Europe. Yet a strong case can be made for the view that de-regulation has had much less to do with the U.S. industry's problems than the state of the economy and, in some cases, the airlines' own mistakes.

Comparisons between the U.S. and Western Europe should not be pushed too far, but moves towards liberalisation of the current rules must be initiated and maintained. This might be partially achieved if the European Commission gets its way in bringing air transport firmly under the Treaty of Rome, so that the competition rules in the Treaty could be enforced. So far Continental Governments and airlines have resisted such a move and seem likely to continue to do so.

Barriers

Even the less sweeping efforts by some UK airlines to get cheaper fares, such as British Caledonian's "MiniPrix" fares to Continental destinations, have been consistently blocked. Some airlines, such as Lufthansa and Swissair, do not abate British Airways' enthusiasm for the abolition of first-class in favour of Club and Tourist concepts—a genuine attempt by BA to offer cheaper travel.

The airlines' admitted financial troubles should not be allowed to frustrate the legitimate longer-term desires of consumers to win cheaper fares and to remove some of the barriers to competition which have stood for so long in European air transport. The UK Government should support the efforts of all its airlines in chipping away in the direction of cheaper rates, while pressing its diplomatic initiatives in every possible way.

EUROPE'S BUSIEST rail system, the Southern Region of British Rail, is at a standstill again today. Eventually, presumably, "normal" service will be resumed. But for its 400,000 passengers who come in and out of London each day the word "normal" has long since acquired a new meaning.

Passengers on the Southern complain about late trains, suddenly cancelled trains and, recently, about trains that leave early. They are unhappy about overcrowded and dirty coaches. Above all they say that no one tells them when hold-ups occur on the system.

Southern's senior management, in its headquarters high above Waterloo station, does not accept the charge that day-to-day management of the region is no longer adequate.

But critics of the Southern argue that its line management is faltering, that it is over-manned, that staff rostering is sometimes chaotic and that far too little has been done to modernise the system in the last few years. When it comes to the vexed question of crew rostering, says Mr Richard Hope, editor of Railway Gazette International, "the management of Southern Region has almost ceased to manage."

The dispute with Aslef, now in its fourth week, has once again focused attention on the way that the railway is run. Critics of the Southern concede that it has been under-financed in recent years, that its rail network is probably the most intricate in the world (6,000 trains a day travel 60m miles a year) and that it still has an excellent safety record. But they also identify a series of major problems:

● The route network. This is almost certainly more complex than it needs to be.



Southern's general manager, Mr David Kirby (left), and his deputy, Mr Maurice Holmes: timetable is the problem

Each main line station in London may serve different geographical areas reflecting the fierce competition between railway companies when the lines were built. Similarly, individual stations outside London may be connected directly to two or more terminals in the capital.

This has "increased the stress in a highly used system," according to the Monopolies and Mergers Commission in its investigation into BR's London commuter services.

● Management information systems. Commuters regularly complain about the lack of information from Southern about their trains. Mr Hope blames poor supervision by management and points out that many stations now have visual display units and teleprinters

linked directly to the main signal boxes.

Staff at these stations have a "real time picture" of what is happening on their tracks, yet passengers are frequently left in the dark about their chances of getting to work or getting home, says Mr Hope.

● Drivers and guards still operate by different rules. The British Railways Board and the rail unions recognised this problem in their joint and highly contentious document, "Understanding on Productivity," signed in August which is now at the heart of the rail strikes by Aslef drivers.

BR wants to blur the current sharp distinction between driver and guard. A guard cannot become a driver under rules that date back almost to the begin-

ning of the century.

BR wants Aslef to agree to provide "recruitment, training and promotion through the (new) grade of trainman to driver or to other grades."

As it is union leaders at each Southern Region depot and main station where guards and drivers are based have developed their own version of the rules which are tolerated and accepted by top management at Southern Region as "custom and practice."

● Rivalry between depots. There are still wide variations among depots, because of the use of different rolling stock, and the scope for rationalisation is enormous. But, says one senior manager, "changing the work of one depot and giving work to another depot could

bring the ceiling down."

● Rosters. Drivers and guards may work the same trains, but they start and stop at different times and rosters are not synchronised. One senior manager of a motive power depot says "almost given up trying to draw up rosters for drivers." This is because each roster has to be approved by the local committee of Aslef, the Associated Society of Locomotive Engineers and Firemen. The local manager now "just lets the drivers draw up their own rosters."

This maze of individual rules and variations has a further layer of complexity. Industrial relations policy is laid down for the whole BR system at Board level. But local traffic managers

on the Southern are also empowered to negotiate what amount to individual agreements at depot and station level. The result is that it is very hard for top management to force through improvements.

The top management on Southern, however, does not acknowledge that there is any great room for improvements in efficiency. It points out that 75 per cent of trains run on time and says that many delays are the result of major resignalling works and speed restrictions caused by other engineering work.

Mr David Kirby, Southern's new general manager, has only been in the job for a few weeks, but he made it clear in an interview last week that no "miracles" should be expected on the Southern.

For Mr Kirby and Mr Maurice Holmes, his deputy, the most immediate problem is the timetable, not man management. Southern has two separate timetables, one for the drivers and one for the passengers. Each of these is subdivided into three versions: for weekdays, one for Saturdays and one for Sundays. Each takes 18 months to amend and it will be 1985 before any of the schedules is fully computerised.

And senior managers argue that even if these problems are resolved, management is handicapped by the burden that it does not know what it is imposed to do.

British Rail tried to get a debate going with its "Commuters Charter." This called for a definition of what level and quality of service people wanted, and who should pay for it: the passengers, the Government, or the wider community served by the rail network. This debate is far from over.

'Six times round the world would drive you potty'

MR KENNETH LEWIS sometimes drives his train "round the world" five times in a working shift. If flexible rostering—the key issue in the Aslef dispute—were to be introduced he believes it could be six times.

"Six times I think would drive you potty," says Mr Lewis who is chairman of the Aslef shop stewards committee at London's Waterloo station.

"Round the world" is what railwaymen call the Waterloo loop which, rather like a model railway, goes round and round, taking in such places as Strawberry Hill, Richmond, Teddington, Hampton Wick and Kingston.

It is the sort of journey that combines boredom with the need for continuous concentration and leads, say union representatives, to drivers being taken off the job suffering from stress-related diseases. Feelings are running high now over the national determination to hold on to the eight-hour day and the all-embracing allegations of fiddling published by the Sun newspaper.

But even in normal times the Southern Region has perhaps more than its fair share of unofficial strikes and commuters dumped unceremoniously on platforms short of their destination.

Yet drivers and guards say that what seems to the public like an act of bloody-mindedness is often the result of a trivial incident which is the last straw for men whose morale is low and who believe their conditions of work are deteriorating.

"The management are always trying to remove one of our conditions of work, one after another. If they take our eight-hour day there will be nothing left to take but our annual leave," Mr Lewis says.

The boredom of many short suburban runs combines with the feeling of fighting a losing battle to protect traditional practices, of being trapped with railway skills in a declining industry and pressures on pay.

Mr Eric Protheroe began work 27 years ago cleaning steam engines at Merton Tydd and has since worked as a

driver at Worcester, Slough—where he was made redundant—then Hounslow—where he was made redundant—and finally Waterloo.

Railwaymen made redundant often have long journeys to work at their new depots. One Waterloo driver travels to work from Crewe.

"We are all fed up. It used to be a pleasure to come to work but not now. I don't think we are paid for the responsibilities we get," Mr Protheroe says.

Mr Jack Bowden, secretary of the Aslef shop stewards at Waterloo, believes that for many Southern Region drivers 1975 was a critical year. The number of miles needed to qualify for a mileage allowance on a day's shift was increased from 140 to 200 although there was a consolidation into pay. This has meant that many drivers can drive round the chimney pots "without ever getting up to 200 miles as Euston and Kings Cross drivers regularly do."

"We're standing still on conditions. As a union we are having to spend the whole year

fighting the pay agreement," Superannuation, he believes, is inadequate and there is little recognition for long service.

The Royal train driver, Mr Bill Turner, he points out, retired last year after a lifetime of conscientious service with a pension of £15 a week. Jack Bowden believes morale could be lifted a little if the choice between such things as a watch, a clock and tea-maker after 35 years' service was supplemented by a free rail pass for life.

The eight-hour day he sees as sacrosanct. Shifts that have railwaymen working any hour out of the 24 are flexible enough. "My old father who joined the railways in 1914 fought to end the 10-hour day. He'd be turning in his grave if he thought we were going to give up the eight-hour day."

Feelings are so strong on the issue because equal eight-hour shifts allow railwaymen to swap shifts with workmates, something they say would be impossible under the new system. Many railwaymen believe that

their entire lifestyle is under threat.

Union representatives reserve their main anger for the British Railways Board, rather than Southern management. They believe it has caved in to government pressure and not obtained enough new investment for modern stock and electrification which would improve morale.

Guards, however, said that many of the problems of the Southern Region were caused by management cutting the number of spare guards in recent years. If a guard is ill or doesn't turn up for work, the train is pulled out of service or stopped prematurely because no relief is available—something that drives passengers crazy.

Mr Sydney Powell, a guard for 11 years, explained at Eppingham Junction how such incidents can turn nasty:

One evening last week he was the guard on a train bound for Gulliford which had to be taken out of service at Epping-

ham because it was behind schedule and threatening to disrupt other traffic.

"Someone wanted to strike the driver. I had to tell him it wasn't the driver's fault."

He believes that although his union, the National Union of Railwaymen, has accepted flexible rostering, there is going to be a lot of trouble over the issue when the rosters begin to be implemented.

All is not, however, "V" signs, abuse and shaking ash on Southern Region. Jack Bowden was driving a train from Basingstoke to Waterloo in the worst of the snow. The train kept stopping as the snow interrupted the power supply and he was afraid he was going to be stuck with passengers in a dark, cold train. But when he finally made it through the blizzard a passenger came to the cab to thank him. It made a nice change.

Raymond Snoddy

Men & Matters

Getting the Hong of it

Nine thousand miles away from Throgmorton Street, London Stock Exchange chief executive Bob Fell is thriving in his six-month secondment to look after the Hong Kong Securities market. A sort of pinstriped game warden in the colony's trading jungle, his first task is to put the final touches to a new Takeover Code. Which is not without its headaches.

It threatens, for one thing, to demand that Fell develops a professionally split personality. For the Code is to be administered by a Takeover Panel—with the right of appeal to the Securities Commissioner. Which would be fine, were the chairman of the Panel not also the Commissioner. "I have great difficulty," concedes Fell, "in grasping the concept of being appealed to against my own decisions."

The appointment of a new Panel chairman looks likely and some of the clever money—which in Hong Kong can be very clever indeed—goes on high court judge, Mr Justice Zimmern.

Fell also has a few linguistic difficulties to sort out, since the Code exists for the moment only in English—in a town where at least one of the four stock market chairmen cannot speak that language. Not only has Fell discovered that his office has no Chinese translator, but the budget does not allow for one!

As if that were not enough, the four stock exchanges are due to merge into one in 1984-1985. To whoever is sitting in Fell's office then will fall the task of hammering out the rule-book for the consolidated market.

One starting place for that job might be the well-thumbed leatherbound book which sits on the window-sill overlooking Hong Kong harbour. The book is a copy of the London Stock Exchange's first set of

rules, published in 1812—three decades before Hong Kong was colonised. A wistful look comes into Fell's eyes as he wonders whether something as simple as that—one-fifth the size of the present London blue book—could ever win acceptance from the potentates of the Hong Kong market.

But Fell's City training seems to have prepared him well for his stint in the East—not least when it comes to commandering taxis which are as elusive there as in London. The Securities Commissioner has a polished, cultured, I am assured, which displays considerable fitness, a nippy burst of speed, and a prop-forward's ability to shoulder away an opposing pack of any age or sex.

In concert

"A great credit to those who assisted us at a difficult time," says Tricentrol chairman James Longcroft of the \$60m loan that a consortium of 15 banks provided for the company in 1976.

Tricentrol needed the money for its share of the development costs of the North Sea Thistle Field—and, as the company freely admits, rated its chances of raising it on the UK market at the time as slim indeed.

But with a Government guarantee covering roughly two-thirds of the sum, seven British, four Canadian and four U.S. banks together put up the money to ensure the company kept its stake in Thistle. The loan was repaid last September. But Longcroft apparently felt that not even the interest on it adequately reflected Tricentrol's sense of indebtedness to its bankers.

So next Thursday he has invited representatives of the 15 banks, plus a few others concerned, to a party at London's Festival Hall.

Some 100 guests are expected to turn up for dinner in the Waterside Restaurant, a company-sponsored concert by



"It won't change his way of life... he never travels by train"

the Philharmonia Orchestra, and reception afterwards.

The arrival of the bankers, I am told, will be celebrated with a special fanfare of trumpets.

Out of Touche

Accountants running newspapers? Isn't that a bit like women on battlements or whistling backstage? "I am not running a newspaper," retors Fleet Holdings' newly-appointed managing director Ian Irvine. "I run Fleet Holdings."

Mike Murphy, the points out, is managing director of Express Newspapers, while Brian Rowbotham manages Morgan-Granpian.

cast of colourful characters including "Barry the Horse" captured the popular imagination back in 1973. The DoT, however, seemed embarrassed by its own success, for its reports have been distinctly more solemn ever since.

Polished off

Translating from Polish to Hebrew is probably not the easiest of human activities—and if you don't know Hebrew to start with, it becomes decidedly more difficult. Undeterred, London surgeon Stefan Galeski took evening classes and a university degree, pressed ahead, with his edition of the collected poems of Pope John Paul, and this week saw the book published in a one edition in Israel.

Galeski is not a man to be put off by challenges, linguistic or otherwise. He saw war service at Dunkirk, holds decorations from three governments including the French Legion d'Honneur and Ordre de Merite, and Hebrew now becomes his seventh tongue. He also has the satisfaction of knowing that his translation passed the scrutiny of the Vatican—and the Pope is held to be no mean Hebrew scholar himself.

Priceless

Police in the Nigerian city of Kaduna had to reinforce their street patrols last week when the local prostitutes' union announced that they would be offering free samples of their wares in a one day promotional exercise. The police action was necessary, Agence France Press reports, to "minimise the harassment of respectable women."

FINANCIAL FUTURES

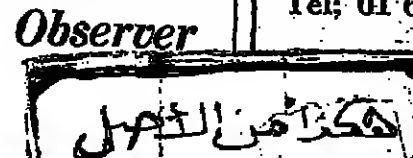
London prepares for a dynamic new market

The launch of LIFFE—London International Financial Futures Exchange—is scheduled for September. Trading will be 'Open-Cry' and will operate with disciplines and techniques formulated to meet the standards of a demanding and active exchange.

THE BANKER, in its April issue, will be talking about the opportunities for 'Market-Making' members and institutional investors to develop a dynamic European financial futures market, plus, an assessment of the interest rate and currency risk protection financial futures markets provide. Also, THE BANKER will be reviewing the developments in other centres—Chicago, New York, Toronto, Hong Kong, Singapore and Tokyo.

Banks and Institutions wishing to advertise their presence and commitment to this important sector should contact:

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Companies and Markets

UK COMPANY NEWS

Westminster Props. climbs

EXCLUDING Cerro Grande Limitada, its Portuguese subsidiary, Westminster Property Group reports substantially higher pre-tax profits for the year to September 30 1981. The figures have climbed from £154,523 to £431,206, and they were struck after interest charges slightly lower at £174,973 compared with £159,387 and exceptional debits of £48,837 last time. The dividend is raised from 0.2p to 0.25p.

Turnover of this property investment and development company improved from £1.14m to £1.3m. Mr A. P. Ravenhill, the chairman, says group profits exclude Cerro Grande, and the extraordinary and exceptional items include £35,491 being an increase in a provision for expenses in connection with the investment in Portugal (to 1980 exceptional and extraordinary items were £53,700). There was an extraordinary debit this time of £82,202.

Munton Brothers ahead: acquiring Lillygold

DESPITE adverse factors affecting retail trade, taxable profits for Munton Brothers increased from £115,176 to £187,946, while turnover rose from £1.35m to £1.6m for the half year ending October 31 1981. This clothing manufacturer also announced it is acquiring Lillygold for £250,000.

Munton Brothers is a subsidiary of Taddale Investments and was reconstituted as a public company in May 1981. Its principal activity is the manufacture of shirts and other clothes for Marks and Spencer.

The directors expect the trend shown in the first half year to be maintained for the year as a whole.

A net interim per 10p share of 1.5p (nil) will be paid and the directors propose to recommend a final dividend of 1p. Sited earnings per share were 1.85p, against 1.545p.

Tax took £7,500 compared with £40,700, leaving after tax profits of £83,446 against £73,476. The company has entered a conditional agreement to acquire the whole of issued share capital of Lillygold, a private company specialising in the design and manufacture of ladies' blouses.

The consideration will be comprised of the aggregate of: (a) £250,000 to be satisfied either in cash or by the allotment of newly issued shares; (b) £250,000 in higher gross rents and service charges receivable of £1.5m compared with £1.23m.

With the directors anticipating a satisfactory result for the full year, the interim dividend is being maintained at 1.5p per 20p share. Last year a total of 2.7p was paid out of pre-tax profits of £1.31m.

After tax of £429,000 (£294,000) and a debit for interest and outgoings on properties in the course of development net of tax relief of £59,000 (£31,000), the profit before extraordinary items emerged at £325,000 (£210,000).

The new shares in Munton will not rank pari passu save that they will rank for the interim dividend announced.

For the 11 months to November 19 1981 Lillygold showed taxable profits of £63,253 and net assets of £485,234.

Western Selection rises

IMPROVED pre-tax profits were shown by Western Selection and Development, rising from £379,000 to £420,000, for the year to September 30, 1981. Turnover, however, showed a marked slide from £5.66m to £4.97m.

The final dividend of this fitness company is maintained at 1.3p, which holds the year's total at 2.3p. Earnings per share were given as lower at 3.7p, compared with 4.13p.

Last June the company made a 1-for-3 rights issue and the per share earnings have been calculated on group profits after tax of £33,000 (£523,000) using the average number of shares in issue for the year. The directors say the funds received for the rights issue only made a contribution to earnings for three months.

Tax for the period took an increased charge of £96,000, against £56,000 before.

The directors say that on a reduced turnover the subsidiary company, Duratube and Duratube made an increase in trading margins, and profits rose from £289,000 to £402,000.

However, they point out that the group profits have been adversely affected as no dividend was received during the current period from the associated company, Kwshu, whose shares did not go ex-dividend until after the company's year end. Income of £47,340 will be brought forward into the next financial year.

Provision of £110,000 for diminution investments has been made this time. The provision is the difference between quoted and marked value of cost investments at the year end. Since September 30, the directors say, the portfolio has recovered in line with the general improvement in the stock market.

There was an extraordinary item this time of £94,000. Since the year end, say the directors, agreement has been reached to disburse of British Patent Glazing, which makes a trading loss of £38,440 (profits £33,400) for the current year. The difference between the net assets and the proposed sale price appears as the extraordinary item.

Owing to a fall in demand for building land the directors have decided to write-off £43,734 from the book value of the company's land bank to bring it to a realistic, realisable value.

Pre-tax profits on a CCA basis were stated at £262,000.

Yearlings total £14m

Yearling bonds totalling £14m at 14 1/2 per cent, redeemable on February 9 1983 have been issued this week by the following local authorities:

- Alnwick DC (£0.25m); London Borough of Lambeth (£1m); Kennet DC (£0.25m); Malvern Hills DC (£0.5m); Lichfield DC (£0.5m); West Oxfordshire DC (£0.25m); City of Warwick (£1m); Monklands DC (£0.5m); North Cornwall DC (£0.5m); Bassettlaw DC (£0.5m); City of Liverpool (£2m); City of Kingston upon Hull (£1m); Swale BC (£1m); Borough of Blackburn (£1m); Bedfordshire CC (£0.75m); Forest Heath DC (£0.5m); Newport BC (£0.5m); Northampton BC (£0.5m); London Borough of Southwark (£1.5m); Borough of Tamworth (£0.5m).

ESPERANZA

Esperanza has changed its name to Esperanza International Services.

Further delay in the five-year compensation battle between two British governments and companies affected by the 1977 Aircraft and Shipbuilding Act developed this week. Negotiations after the European Commission of Human Rights requested it to submit observations. The Government has asked for a postponement for the second time.

Last week Gerald Kaufman, MP, who as a Labour minister piloted the nationalisation measures through the Committee, called the 1977 Act "an immaculate Act of Parliament." This is not the view of many of the companies involved.

Some of the companies, notably Vickers, GEC, Vesper and Yarrow, have taken the Government to the European Commission of Human Rights, on the grounds that the compensation they received for their nationalised assets contravened the European Convention of Human Rights, of which Britain is a signatory.

Under the 1977 Act, compensation was based on average share prices between September 1974 and February 1974. But only one of the 43 companies

Steinberg losses fall to £97,000

After tax of £14,252 (nil), attributable profits emerged higher at £334,752 compared with £149,460. Stated earnings per 20p share improved from 0.89p to 1.1p. A revaluation of the group's UK investment properties of £8.93m has shown a surplus of £1.01m over book values. Independent valuations of land and properties owned by Cerro Grande indicate a present worth of £2.04m, which compared with the cost of the investment of £944,663, results in a surplus of £1.09m.

Cerro Grande is treated as a separate undertaking and not dealt with as a subsidiary in the consolidated accounts. Trading profits of this company were £67,316 (£84,701) before charging interest of £374,483 on the bank loan which was repaid from proceeds of the sale of the Lisbon office property and which has not been capitalised this year. In 1980 interest amounting to £306,617 was capitalised.

With stated losses per 10p share of 1.23p (3.44p) the directors have decided not to consider revaluation until the end of the financial year. Last time an interim 0.01p net (0.32p) per share was paid together with a final of 0.01p (0.778p).

After tax of £60,000 (£61,000) and extraordinary debits of £195,000 (£376,000) the losses taken to reserves came to £32,000 (£823,000). Last time there were also minorities of £3,000 and foreign exchange losses of £17,000.

The directors say increases in taxation cut the cigarette market by some 12 per cent, but good sales were nevertheless achieved in the roll-your-own, pipe tobacco and cigar sectors. However, sales of all domestic tobacco products were affected by duty increases since March 1980, the directors point out.

Cigarette market leader Benson and Hedges Special, and the low tar sector leader, Silk Cut, both showed continuing strength. Overseas sales continued to grow and, say the directors, the Dutch subsidiary Niemeyer had a successful year.

The accounts also give full details of long and option transactions with Mr Neil Shaw, the 51-year-old Canadian who was appointed group managing director 18 months ago.

These show that loans made available to him in Canada by Redpath Industries (a Tate subsidiary) have been reduced from £813,879 at September 30 1980 to £388,138. The loan outstanding is a 10-year interest free loan expiring in September 1985.

A relocation loan of \$41,334 and a loan to settle local Canadian transactions in Mr Shaw's absence in the UK, which reached a maximum of \$2,500 during the year, have been repaid.

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Gallaher stays at £80m after difficult trading

ALTHOUGH RESULTS for Gallaher were a reasonable achievement in a difficult trading environment in 1981, they did not keep pace with inflation. Taxable profits remained almost static at £80.4m against £80.1m while trading profits were 3 per cent ahead at £51.5m compared with £52m.

The group is wholly owned by American Brands and its main activity is the manufacture and sales of cigarettes, cigars and tobacco, mostly in the UK, also has substantial tobacco interests in the Republic of Ireland and the Netherlands.

Trading profits from the group's tobacco interests, which contribute just over 78 per cent of profits, rose from £57.7m to £64.7m despite a fiercely competitive year for the tobacco industry, the directors say.

Tobacco sales totalled £1.485b against £1.345b.

The directors say increases in taxation cut the cigarette market by some 12 per cent, but good sales were nevertheless achieved in the roll-your-own, pipe tobacco and cigar sectors.

However, sales of all domestic tobacco products were affected by duty increases since March 1980, the directors point out.

Cigarette market leader Benson and Hedges Special, and the low tar sector leader, Silk Cut, both showed continuing strength. Overseas sales continued to grow and, say the directors, the Dutch subsidiary Niemeyer had a successful year.

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Table with 5 columns: Company Name, Current payment, Date of payment, Dividend, Total last year. Includes English and New York, McKay Secs, Munton Bros, Steinberg, Western Sel, Westminster Prop.

Dividends Announced

THE DIRECTORS of Ropner Holdings, the shipping and engineering group, are proposing capitalisation issues of new "A" non-voting ordinary shares and of 11.5 per cent cumulative preference shares of £1.

The new "A" shares would be issued on the basis of one £1 every two ordinary or "A" shares held on January 25, and the preference shares would be issued on the basis of one £1 share for every four ordinary or "A" shares held on that date.

Mr David Ropner, chairman, said the issues were being proposed to bring the share capital more in line with the capital employed in the company. The March 1981 balance sheet showed £15.7m in shareholders' funds of which only £2.7m was in share capital.

Mr Ropner said issue of the preference shares would enable shareholders, if they so wished, to realise part of their investment in the company without affecting their control. Mainsforth Investment, a company controlled by members of

Scrip issues by Ropner

the Ropner family, has sold 275,000 Ropner ordinary shares, reducing the total Ropner family holding in the company to just under 50 per cent.

Sales of the new preference shares planned by the family will be revealed in the document on the issue today.

The document will also recall that the company agreed last month to buy two bulk carriers for \$11m, financed in part with two loans of \$8m.

As a result of these acquisitions, group interest charges will increase significantly in the short-term, and investment income will be reduced. Ropner also anticipates taking delivery of a new ship at the end of February and, if the shipping market remains depressed, it would trade at a loss before the issue charges.

Nevertheless, the directors still expect the profits in the second half of the current year will be higher than the £2.8m before tax made in the first half.

The directors do not intend to recommend an increase in the total amount paid in dividends

Tate & Lyle director's pay-off

THE FULL accounts of Tate and Lyle for the year ended September 26 1981 disclose that compensation of £75,000 was paid during the year to a director on the termination of his contract.

The company said yesterday that this payment had been made to Colin Lyle, who stepped down as an executive director at the end of 1980. Mr Lyle had agreed to retire early as a general management restructuring. He remains on the board as a non-executive director.

The accounts also give full details of long and option transactions with Mr Neil Shaw, the 51-year-old Canadian who was appointed group managing director 18 months ago.

These show that loans made available to him in Canada by Redpath Industries (a Tate subsidiary) have been reduced from £813,879 at September 30 1980 to £388,138. The loan outstanding is a 10-year interest free loan expiring in September 1985.

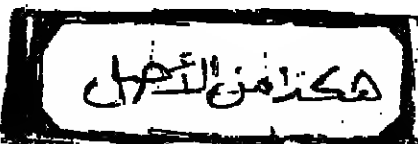
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Hamersley sees earnings drop by 70% in 1981

BY KENNETH MARSTON, MINING EDITOR

THE Rio Tinto-Zinc group's Western Australian iron ore giant, Hamersley Holdings, reports a 70 per cent fall in 1981 earnings to A\$172m (101.1m) from A\$572m in 1980.

After having passed its interim dividend, Hamersley is declaring a final for 1981 of 5 cents (2.9p) which compares with a total distribution for the previous year of 16 cents.

Hamersley's chairman, Sir Russell Madigan, has criticised the Japanese customers a number of times over the past 12 months for failing to adhere to long term sales contracts.

And he has claimed that an 8.5 per cent price increase for iron ore achieved last year was far below the levels required to compensate for cost escalation and the strength of the Australian dollar.

RTZ has a stake of 57.2 per cent in CRA which, in turn, holds 93.6 per cent of Hamersley. The 1981 results of CRA are due later this month. They can be expected to follow the general depressing pattern of other world metal producers, especially in view of the fact that CRA's first-half earnings showed a fall of 84 per cent on those for the same period of 1980.

North Kalgurli proposes talks with Metals EX

AUSTRALIA'S gold-producing North Kalgurli Mines has accepted that Metals Exploration should be able to participate in the direction of the company's operations, following the success of Metals Exploration's partial bid for North Kalgurli.

Metals Exploration, which already held 20 per cent of the gold producer's equity, offered A\$150 (89p) for each fully-paid share and A\$120 for the controlling shares with the intention of lifting its total stake to 55 per cent.

Strata makes 15 cents call

AUSTRALIA'S Strata Oil is making the final call of 15 cents (8.8p) on its 35 cents contributing shares, presently paid as to 20 cents. They are currently around 50p in London. The call is payable on March 10. Notices will be posted next week.

Burmah Oil EGM supports Croda bid

SHAREHOLDERS AT an extraordinary general meeting of Burmah Oil yesterday took only a few minutes to approve overwhelmingly their company's proposed acquisition of Croda chemicals group.

The meeting was held in Glasgow and attended by 35 shareholders. All but two supported a resolution approving the acquisition on its present terms—70p cash for ordinary and 48p cash for its deferred shares—or any revision or extension of such terms. Just short of 23m proxy votes supported the resolution with 3m against.

The meeting heard no questions raised about the bid, which has its first closing date today. Burmah must announce before 9.30 tomorrow morning the number of acceptances received, if any, from Croda shareholders. The board of Croda under Sir Freddie Wood, chairman, has strongly urged the rejection of Burmah's bid.

Last night, Burmah's shares closed up 1p at 110p. Croda's ordinary and deferred, which have both traded above the bid levels since Burmah first unveiled its terms on December 18, closed at 74p (up 2p) and 51p (up 1p) respectively.

SCOTTISH METROPOLITAN Four property investments have been acquired by Scottish Metropolitan Property from the Scottish Equitable Life Assurance Company. The total price of 28.8m was satisfied by the payment of 7,644,375 Scottish Metropolitan shares of 20p each.

Wit Nigel

THE SHARES of the independent South African gold producer Witwatersrand Nigel fell 14p to 46p in London yesterday, on the news that the mine is to curtail its gold mining operations in order to achieve a balance between income and expenditure.

Pancontinental

AUSTRALIA'S Pancontinental Mining has re-started exploratory work at its Paddington gold prospect in the Broad Arrow gold field north of Kalgoorlie, Western Australia, which last year returned some encouraging results.

Grand Met in biotechnology offshoot

Grand Metropolitan is going to form a new subsidiary — Grand Metropolitan Biotechnology — to expand its activities in technology in food and beverages and fine chemicals.

SHARE STAKES

Trusthouse Forte—Current holding of the Kirwatt Investment Office in the ordinary shares is 25,600,034 (6.5 per cent).

Morgan Grenfell shows sharp rise in Asia

THE Singapore-based merchant bank Morgan Grenfell (Asia), has made a sharp rise in earnings for the year to December 1981.

Grand Met in biotechnology offshoot

Grand Metropolitan is going to form a new subsidiary — Grand Metropolitan Biotechnology — to expand its activities in technology in food and beverages and fine chemicals.

Spain

Company	Price	%	+ or -
February 3			
Banco Bilbao	338	+2	
Banco Central	333	+4	
Banco Exterior	319	+4	
Banco Hispano	323	+2	
Banco Ind. Cat.	115		
Banco Santander	258	+3	
Banco Urquijo	224	+4	
Banco Vizcaya	277	+4	
Banco Zuelagoiti	22	+1	
Empresas Zin	60	+2	
Ferros	62	+0.8	
Gas Prolongado	41	-2.5	
Hidrovia	66	+0.8	
Iberdruco	53	+0.1	
Paralelos	100.5	+1.5	
Parque	58	-1	
Sopelana	21	-1.5	
Telefonos	71.7		
Union Elect.	66.2	+1.2	

GALLAHER

Report for the year to 31st December, 1981

Results (Unaudited)	1981	1980
	£ MILLION	£ MILLION
Group Sales	1,928.7	1,835.8
Group Trading Profit	84.5	82.0
Interest Charges	4.1	1.9
Group Profit (before taxation)	80.4	80.1

Group
Trading profits up 3% on the 1980 level, helped by a marked improvement in the fourth quarter. Interest costs higher following acquisitions.

Tobacco
Home cigarette market down 12% but strong Gallaher cigarette brands, rising exports and good roll-your-own and cigar sales helped to raise profitability.

Optical
Consumer spending on spectacles was down. Profits a little lower in the UK but progress made in Italy.

Distribution
An excellent trading year for all companies, helped by improved productivity.

Pumps and Valves
Lower profits as a result of economic recession and reorganisation. Overseas companies did well.

Office Products
Newly-acquired Ofex contributed 2½ months' profits. Company is confident of future growth.

Gallaher Limited, 65 Kingsway, London WC2B 6TG. Tel: 01-242 1290. Telex: 25505.

P. C. Henderson is bidder for Normand with £4.9m

P. C. Henderson Group, the manufacturer of garage and industrial doors and sliding door gear, yesterday emerged as the bidder for Normand Electrical, the loss-making electric motor and industrial power transmission company, which called a halt to dealings in its shares on Tuesday.

Henderson has announced agreed terms, comprising a mixture of shares and cash, valuing the Normand capital at about £4.9m. It is already virtually assured of success having received irrevocable acceptances from holders of 27.67 per cent of the shares and indications of acceptance in respect of a further 22.53 per cent, making a total of 50.2 per cent of the Normand shares.

Henderson is offering 8 new shares plus 420.5p cash—cash equal to 14.5p per Normand share—for every 29 Normand shares. With Henderson at 14.5p (down 3p) yesterday the offer values each Normand share at 54.5p. The Normand shares rose 11p to 52p as dealings resumed.

Normand— which had achieved profits of over £1m in the three years up to 1979-80—saw profits fall away to £451,000 in 1980-81 and in the first half of the current year there was a loss of £39,000. Normand was confirmed that a recovery in trading is continuing.

Belix buy-out financed by Gresham and ICFC

Gresham Trust and Industrial and Commercial Finance Corporation have together invested £200,000 in a management buy-out by six directors of the Belix Company, a small power supply equipment manufacturer with two factories at Surbiton, Surrey and Newtown in Wales.

Emess seals Tharene deal

THE acquisition of the share capital of Tharene by Emess Lighting has been completed. The consideration is £190,000, of which £140,000 was paid on completion. Of the £140,000, a total of £85,000 was satisfied in cash and issues to certain of the vendors of 37,250 ordinary shares of Emess at 120p per share.

Conditional upon Tharene achieving pre-tax profits of £70,000 for the year to March 31 1982, deferred consideration of £50,000 will be paid in January 1983. Deferred consideration will be reduced pro rata pound for pound by any amount by which net profit of Tharene for the year to March 31 1982 falls below £70,000.

DEFERRED CONSIDERATION will be paid 75 per cent in cash, and 25 per cent by allotment of shares in Emess. Tharene had net tangible assets of approximately £110,000 at completion.

PETROLEOS MEXICANOS

Mexico, D.F.

DM 150,000,000

11% Bearer Bonds of 1982/1990

Issue Price: 100%

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DEUTSCHE BANK Aktiengesellschaft

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Banca del Gottardo

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Bank Gotschewitz, Kurtz, Bangener (Overseas) Limited

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Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Kuwait International Investment Co. s.a.k.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

Table listing various offshore and overseas funds with columns for fund name, manager, and performance metrics.

Table listing various unit trusts with columns for fund name, manager, and performance metrics.

CURRENCIES; MONEY and GOLD

\$ & £ firm

Dollar rose sharply in late European trading after showing a weaker trend earlier in the day. Very firm U.S. interest rates prompted strong demand for the U.S. currency in New York...

THE POUND SPOT AND FORWARD

Table showing pound spot and forward rates for various currencies.

THE DOLLAR SPOT AND FORWARD

Table showing dollar spot and forward rates for various currencies.

CURRENCY MOVEMENTS

Table showing currency movements and rates for various currencies.

OTHER CURRENCIES

Table showing other currency rates for various currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

FT UNIT INTERBANK FIXING (11.00 a.m. FEBRUARY 3)

Table showing FT unit interbank fixing rates.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates.

MONEY MARKETS

London clearing bank base lending rates 14 per cent (since January 25). Short-term interest rates showed an easier trend in the London money market yesterday.

GOLD

Gold fell \$24 to \$377.378 in the London bullion market. It opened at \$378.379, and traded within a narrow range in quiet trading.

BASE LENDING RATES

Table showing base lending rates for various banks.

LONDON MONEY RATES

Table showing London money rates for various currencies.

Advertisement for IBS (Immediate Business Systems plc) featuring share capital information and contact details.

Advertisement for 'MONEY RATES' and 'NEW YORK' with financial data.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

CS175m charge for Hiram Walker

By Robert Gibbons in Montreal. HIRAM WALKER RESOURCES, the Toronto-based oil and gas energy group, expects to make a CS175m (US\$ 147m) charge against its earnings as a result of an independent study of U.S. oil and gas properties bought from Davis Oil Company last year for US\$930m.

Mobil drops plans to buy 25% stake in U.S. Steel

BY PAUL BETTS IN NEW YORK

MOBIL Corporation, the second largest U.S. oil company, is backing out of its plan to buy up to 25 per cent of U.S. Steel shares. The move was an indirect attempt by Mobil to buy the oil and gas assets of Marathon Oil, the country's 17th largest oil company, which was acquired by the steelmaker for \$6.4bn.

with the Securities and Exchange Commission and the Federal Trade Commission to buy up to 25 per cent of U.S. Steel's stock. It already held about 1 per cent of U.S. Steel's capital.

oil merger wave and multi-billion dollar bidding battles which have highlighted the U.S. energy sector.

AT&T boosts earnings by 13%

By Our Financial Staff

AN IMPROVEMENT of 13 per cent in earnings, from \$6.06bn to \$6.89bn, is reported by American Telephone and Telegraph for calendar 1981. Revenues for the year increased by 14.3 per cent, from \$59.9bn to \$68.2bn.

Strong support for Societe Generale \$250m FRN issue

By ALAN FRIEDMAN

A \$250m 13-year floating rate note offer for Societe Generale is being sold in the Eurodollar market yesterday, and was said to be doing well shortly after its launch through Samuel Montagu.

gold-dust in the German market, with investors having to queue for allotments weeks in advance. The fact that the borrower is asking for DM 50m less than anticipated is likely to make it sell not even more quickly.

Turkey to prepare for Euromarket comeback

By David Tonge

AFTER FOUR years near the bottom of bankers' credit lists, Turkey is preparing to return to the Euromarkets this year. We will start slowly with some project financing, Mr Turgut Ozal, the country's deputy prime minister and architect of its economic stabilisation programme, said yesterday at the European Management Forum in Davos. He said the country could seek around \$50m.

Slow fourth quarter at Signal

BY OUR NEW YORK STAFF

SIGNAL COMPANIES, the California-based industrial group, has reported strong profit growth from its main subsidiaries led by those in high technology and a return to the black of its Mack Truck unit.

Mack Trucks, in which Renault of France has a 10 per cent stake, reported net profits of \$7.8m on sales of \$1.58bn in 1981 compared with a loss of \$12.6m on \$1.54bn a year earlier.

and steady demand for aircraft components. Ampex, the recording tape and computer peripheral equipment maker acquired in January 1981 contributed a \$21.6m profit on sales of \$318m.

B1 contracts to boost Rockwell

By Our Financial Staff

TWO RECENT contracts for the rescheduled U.S. B1 bomber project should give Rockwell International a net profit margin of between 4 per cent and 5 per cent on the \$600m to \$700m in revenues they will generate this year.

S Korea raises \$300m

By OUR EUROMARKETS STAFF

SOUTH KOREA'S Export-Import Bank is raising \$300m through an eight-year credit to be led by Lloyds Bank International. The terms on the credit, a spread of 1 per cent above the London interbank offered rate (Libor) for the eight years, make this one of the finest margins ever seen for a South Korean agency.

market, it was learned that SEGBA, Argentina's electric utility, had postponed until February 10 bidding on its likely \$200m credit. Some bankers believe the postponement was made in order to stimulate more competitive bids.

Bankers dealing with Turkey say that in the past year it has established a good reputation of scrupulous financial management of its short-term lines, such as letters-of-credit and oil facilities. Banks have increased their short-term exposure to Turkey by about \$600m in the past year. Several bankers argue that the country should now come gradually back to the medium-term markets.

Record results from Sundstrand

By OUR FINANCIAL STAFF

RECORD RESULTS are announced by Sundstrand, the Rockford, Illinois-based manufacturer of jet aircraft components, transmissions, heavy duty gears, pumps and compressors. Net earnings for the fourth quarter of 1981 increased by 22 per cent, from \$30.5m to \$37.5m, boosting the annual total by 15.3 per cent from \$76.9m in 1980 to \$88.5m for the past year.

\$277.4m, a gain of 15.3 per cent on the previous year's \$240.5m. Annual per share earnings equaled \$5.23 for 1981, against \$4.45, with final quarter earnings totalling \$1.37 a share against \$1.16 previously.

\$5.15 for 1981, compared with \$4.21 previously and a directors' forecast of some \$5.10 a share. Operations have benefited from strong growth in commercial aerospace business — this sector provided 53 per cent of 1980 profits and 52 per cent of revenues. At the end of last September the group reported a total order backlog of \$662m, up 18 per cent year-to-year; this included an aerospace backlog scheduled for delivery within 12 months of \$504m, up 26 per cent from the corresponding 1980 level.

The company also expects \$225m of revenues this year from contracts for the guidance and propulsion systems of the MX missile. The profits of between \$24m and \$35m from the B1 project will form a large part of the expected increase in earnings for the current year to September 30 from the \$291.8m achieved in 1980-81. In its opening quarter the company lifted net profits from \$55.4m to \$61.9m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday February 16. Closing prices on February 3

Chemical NY to establish Delaware unit

By Our Financial Staff

CHEMICAL NEW YORK, holding company of Chemical Bank, sixth largest of the U.S. banks, plans to establish a banking subsidiary in Delaware which will have an initial capitalisation of \$100m.

Gannett maintains profits growth

By OUR FINANCIAL STAFF

GROWTH WAS fully maintained in the final quarter of fiscal 1981 at Gannett, publisher of 109 newspapers, including 85 dailies, and the group has ended the year with profits slightly above Wall Street forecasts.

similar gain from \$1.21bn to \$1.37bn. The group has been benefiting from higher advertising revenues on the newspaper side, which provides nearly 80 per cent of profits.

gain in earnings in fiscal 1982, with progress boosted by increasing advertising revenue and from further acquisition moves.

Sharp setback for Norton

By Our Financial Staff

A SEVERE setback in profits in the final quarter of last year was suffered at Norton, the Massachusetts-based manufacturer of abrasives. Full year earnings managed to stay ahead, however, to show a 9.5 per cent rise to \$95m or \$5.57 a share from \$86.7m or \$5.25 a share in the previous year. Sales at \$1.33bn gained 3.9 per cent on the \$1.28bn of 1980.

Table with columns: Issue, Bid, Offer, Day, Week, Yield. Lists various international bonds like U.S. Dollar, Straights, and Floating Rate Notes.

IBM returns to computer services market

By RODERICK ORAM IN NEW YORK

INTERNATIONAL BUSINESS MACHINES (IBM) has made its long anticipated return to the computer services market with the launch of its new Information Network.

generates revenues of about \$4bn a year and is growing at an annual rate of 15 per cent to 20 per cent. It will operate in Atlanta, Chicago, Dallas, New York, Washington DC, San Francisco and Tampa, connecting customers with a new computer complex in Tampa. It will offer about 100 programs ranging from text editing to financial analysis plus other on-line computing services.

Mr Peter Lowber of Yankee Group believes that IBM lacks the array of sophisticated programs and easy-to-use software of its competitors but he has no doubt it will develop them.

He believes the most advanced company in the field is General Electric, which has spent \$200m in the past 18 months on acquisitions in the sector. GE can offer, for example, an integrated package from computer-aided design and manufacturing through to inventory control and financial planning.

The final quarter brought a slump of one third in net earnings — from \$17.5m to \$11.8m — although sales at \$338m were 2 per cent up on the \$328.7m of 1980.

NORTH AMERICAN QUARTERLY RESULTS

Table with columns: Company, 1981, 1980, 1981, 1980. Lists quarterly financial results for companies like American Can, Bliss & Laughlin Inds., Dun and Bradstreet, Lenox Inc., Natomas, etc.

Table with columns: Issue, Bid, Offer, Day, Week, Yield. Lists various international bonds like Swiss Francs, Yen Straights, and Southern Company.

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December 1981



Mr Pehr Gyllenhammar, managing director of Volvo

Volvo Car returns to the black

By William Dullforce, World Editor in Stockholm

VOLVO, the Swedish motor, industrial and trading group, turned round its car operation from a SKr 195m loss in 1980 to a SKr 500m (\$88m) pre-tax profit last year.

This striking earnings recovery on cars—not detailed in the preliminary report for 1981 released last week—was disclosed by Mr Haakon Frisinger, managing director of Volvo Cars, when he unveiled Volvo's new big model, the 760, in Gothenburg.

Improved productivity, the strength of the dollar and a marked sales gain in the U.S. all contributed to the profit turnaround on cars.

Another factor was the removal from the consolidated account of Volvo Car BV, the loss-making Dutch company making the smaller 340 model, in which Volvo surrendered a majority holding to the Dutch Government last year. Volvo Car BV accounted for the larger part of the SKr 195m loss in 1980.

Mr Pehr Gyllenhammar, Volvo group managing director, said it was geared to meet the "second Japanese attack" which would be aimed at the market for more expensive cars in which Volvo operated. Competition from the Japanese could be met with higher quality and longer life in the cars and by more effective production.

Mr Frisinger revealed that Volvo Car had stepped up spending on product development from 5 per cent to 10 per cent of turnover over the past few years. Car sales totalled just under SKr 12bn in 1980.

Last week Volvo reported preliminary results showing consolidated earnings of SKr 1.4bn on a group turnover of SKr 46.2bn in 1981.

Christine Moir reports on stock market in-fighting in Hong Kong Mr Woo throws down the gauntlet

THE FOUR separate stock markets in Hong Kong are not due to merge until 1984, but the battles for supremacy and membership rights are already underway.

In fact the deadline for "unification" is expected to slip by about a year as a result of tight schedules. Tenders only go out this month for the land on which the new skyscraper housing the 20,000 sq ft trading floor is to be built. So it seems unlikely that the new market will start physically trading before 1985.

Still, 1985 is not far off, and the initial skirmishes which will eventually define the shape and structure of the market have already taken place.

In the one corner is Mr Woo Hon Fai, chairman of the Kan Ngun exchange, which specialises in gold, silver and commodities. Mr Woo, the surprise choice last November to be chairman elect of the new unified market, is overtly opposed to foreign membership of the market. It should be a Chinese market with Chinese members, he firmly believes. Foreigners should only be permitted if their home markets offer reciprocal membership to Chinese firms.

Supporting Mr Woo, though very quietly, is believed to be Mr Fung King Hey, chairman of Sun Hung Kai Securities, the largest broker in Hong Kong. Sun Hung Kai carries out 30 per cent or more of the total Hong Kong stock market business and has most to lose from the incursions of sophisticated foreign firms with extensive research and back-up facilities, most of which are not offered by local brokers.

In the other corner stand the *gravelos* — the foreign devils. They include the UK-based broking groups — Cazenove, Vickers de Costa, de Zoete and Bevan, W. I. Carr, P. C. Coombs, Laing and Cruickshank, James Capel, Rowe and Pitman, Astaire as well as the broking arm of Jardine Fleming.

As a group, the *gravelos* are doing good business, mostly institutional bargains at 250,000 a time. And it is profitable stuff, leading to international Far Eastern fund management, the sort of business which can command a high price in a bidder's market. One estimate is that such business can be sold on a multiple of 10 times annual earnings.

Most of the foreign brokers have not hitherto traded physically on the market floors, being content to put the actual deals through a local trader. Only Vickers and Jardine Fleming have full "floor" membership. The remainder have operated either through a form of associate membership or with an even vaguer structure which does not amount to membership of any of the exchanges.

Their status on the new market is the main battle currently being fought. The Unification Bill, which heralded the new market, laid down that existing members of each of the four markets would be eligible for membership of the new. But what is membership?

Given the present groundswell against the *gravelos*, much logic-chopping is going on about the type of membership which will count for eligibility and the relationship between *prima facie* eligible applicants and their ultimate parent companies, which might not be eligible.

Enter the referee, Mr Robert

will clearly depend on the new permanent Securities Commission, due to take over from Mr Fell at the end of his secondment period on May 17.

The advertisements have been interviewed but the job carries a salary of only \$32,000 in a community where leading fund managers can draw a salary of \$100,000, plus housing allowances and "profit" sharing arrangements.

The new commissioner must also have a personality powerful enough to withstand the pressures from Chinese firms and individuals used to a traditionally unfettered business style.

The financial community and it seems, Mr John Brembridge, the colony's Financial Secretary, would like Mr Fell to stay on. At 60, he might well be prepared to accept their invitation, but his first loyalty is to London.

Whoever the new Securities Commission may be, a three years lie ahead. Then the final gloss to be put on Hong Kong's bid for Takeover and the battle to get the bid (the traditional trading houses to submit themselves to it).

There also is the need to strengthen the staff and structure of the Commission's office. At present, for instance, the Commissioner is both head of the Takeover Committee and the ultimate appeal body.

And hanging over it all is the urgent need to hammer a unified stock market into shape and give it a set of rules that would enhance its international standing. The future of *gravelos* is only one of the problems.



Mr Robert Fell, seconded from London

Fell, seconded from the chief executive post at the London Stock Exchange to fill in temporarily as Securities Commissioner for Hong Kong, the Government-appointed head of the securities market.

He is standing by the argument that "a member is a member" and those firms or individuals which have once held membership—whether Chinese or not—must be eligible to join the new market.

This could still leave some of the UK firms, including Astaire, Laing and Cruickshank and Capel, in a sort of limbo, but would certainly admit most of the others.

The leading UK firms are playing down the obstacles and publicly describe the present battle as a teacup storm, but

earnings and sales down at Oerlikon

By John Wickes in Zurich

TURNOVER OF the Oerlikon Buehler arms, machinery and shoe group fell by 3 per cent on the record 1980 level. Slightly less than SwFr 4 (\$2.13bn) last year. The fall in turnover was largely the result of reduced deliveries of military equipment.

Sales also "stagnated or slightly" in the Balzers (bi vacuum) and thin film products, welding technology, a textile division. However, turnover increased—in part substantially—in the contract (anti-aircraft and fire control systems), machine building vehicles and Bally shoe divisions and as well in the real estate, hotels and insurance sectors.

Group profits will be down because of the lower overseas sales, tougher conditions on the arms market and considerable falls in earnings from parts of its non-military operations.

High development costs in the military sector have also had an influence on group profits. These had already fallen in 1980, from SwFr 242.6m to SwFr 201.5m.

Parent company profits will not be much affected by 1980 developments, however, as these depend on 1980 dividend transfers from subsidiaries and on interest income. Last year the Zurich holding company paid a 15 per cent dividend from net profits of SwFr 60.5m.

Prospects for 1982 are "laden with considerable uncertainties," Dr Dietrich Buehler, the chairman, said in a letter to shareholders.

Business in the military sector would continue to depend on the hooking of major contracts while in the civilian divisions there would be an improvement at the subsidiaries which performed particularly badly in 1981.

Kloekner-Werke sales

Worldwide turnover for Kloekner-Werke, the West German steel and machine making group, fell 5.3 per cent to DM 6.28bn (\$2.71m) in the year ended September 1981. External turnover, excluding intra-group transactions, fell 2.5 per cent to DM 5.75m from year-earlier levels. Foreign sales rose 6 per cent to DM 2.42, while domestic sales dropped 8 per cent to DM 3.32bn.

Norwegian metals groups in loss

BY FAY GJESTER IN OSLO

TWO NORWEGIAN State-owned metals concerns incurred substantial losses in 1981 and expect to run up deficits this year as well. Both are planning to cut employment to help reduce costs.

One of them, the iron and steel group, Norsk Jernverk, has been posting losses for many years and its 1981 deficit of Nkr 300m (\$50.6m) took its aggregate debt to Nkr 1.5bn. The other, ASV, is Norway's largest aluminium producer and has previously had only one other loss-making year, 1975.

ASV, which has been hard hit by the world aluminium slump,

hopes to cut its 3,500 workforce this year by a total of about 200, mainly through early retirement and a freeze on hiring.

Detailed results for 1981 are expected in about a fortnight, but unconfirmed reports put last year's loss at about Nkr 75m, compared with a pre-tax profit of Nkr 257m in 1980.

This year, the concern expects a deficit of more than Nkr 100m, according to Mr Sverre Naftstad, a director. He said the company would intensify its drive to cut costs and would try to sell some of its stocks of metal as well as reduce the workforce.

The loss at the Jernverk group, which produces iron, steel, tinplate and steel cables, compared with Nkr 70.7m deficit in 1980. Turnover was Nkr 1.37bn, slightly up on the year earlier.

It currently employs about 4,500 and plans to cut this total by around 400.

The Government will this spring ask the Storting (parliament) to allocate additional funds for Jernverk's five-year investment programme, which has been considerably exceeding its budget. The programme was approved by the Storting in 1980.

Smit expects further growth

BY CHARLES BATCHELOR IN AMSTERDAM

SMIT INTERNATIONALE, the Dutch ocean towage and salvage group, expects a further slight improvement in profits after the net result in 1980-81. The company performed well in the first 1981-82 quarter to December, the board said.

Net profit rose to Fl 23.2m (\$3m) in the year to September from Fl 10.5m, on turnover 25 per cent higher at Fl 587m (\$227m). At the operating level profits rose more sharply—to Fl 45m from Fl 10m. A tax charge of Fl 15m compared with a rebate of Fl 7.4m the year before reduced the increase at the net level.

Smit proposes paying a cash dividend of Fl 2.50 per share with the option of Fl 2 in cash

and Fl 0.50 in shares from the general reserve. The company paid Fl 1.30 in cash in 1979-80.

The net return on assets improved last year to 6.5 per cent from 3.1 per cent but was still well below Smit's target of between 10 per cent and 12 per cent.

Much of the improvement in last year's result came from the closure of a number of loss-making subsidiaries, including companies in Southampton and Madrid. Smit also pulled out of a Dutch company developing underwater vehicles.

The ocean towing and salvage division, the largest in the group, made an operating profit of Fl 12m last year compared with a loss of Fl 4m the year

before. Fee levels improved, though Smit and other salvage companies are hoping to negotiate a further increase with Lloyd's of London.

The offshore division increased operating profit to Fl 21m from Fl 9m. Fees for supply vessels rose and demand increased. Profits in the harbour and transport division rose to Fl 12m from Fl 5m, though activity in the port of Rotterdam continued to decline.

Smit has ordered a further six supply vessels bringing the total number to 10 with a total value of Fl 189m. It has also placed a Fl 50m order for two tug supply vessels which will be operated by a joint venture company to be set up with Ranger Oil of Calgary, Canada.

Bad debts hit Andelsbanken

By Hilary Barnes in Copenhagen

ANDELSBANKEN, the Danish bank, reports a sharp drop in profits for 1981 but plans to pay a maintained 12 per cent dividend.

Hit by heavier depreciation and the need to step up bad debt provisions, profits before tax tumbled from Dkr 115m to Dkr 62m (\$8.2m).

The bank explained that the results reflect the difficult conditions in Danish business, especially agriculture. However, if business conditions do not deteriorate and interest rates "remain more or less unchanged," the negative profits trend could be reversed.

Italian steel group swings from losses to profit

BY JAMES BUXTON IN ROME

DALMINE, the Italian State-controlled steel company, has undergone a remarkable turnaround in its fortunes over the past year. It expects profits in excess of L60bn for 1981, in contrast to a loss of L84bn in 1980.

The company, the bulk of which is owned by the IRI-Finsider State holding company, has a strong position in the market for high-quality seamless steel pipes, a market which has been booming because of the sharp increase in oil drilling in the U.S. Last April it won a contract which

could be worth up to \$1bn for the supply of 120,000 tonnes a year of such pipe to U.S. Steel. It is also to build a seamless pipe plant for U.S. Steel.

The transformation of Dalmine's profitability is partly attributable to a sharp jump in foreign sales, from L49bn in 1980 to L1,050bn in 1981.

Interest charges last year amounted to L122bn. Because of poor results in recent years Dalmine last year had to write down its capital from L226.8bn to L62.6bn. It now wants to restore capital to L166bn.

The results of the Amfas Groep in the first nine months of 1981 are out.

In the first nine months of 1981 the total turnover increased by 8.3% to Dfl. 1,256 million as compared with the first nine months of 1980, while the profit grew by 4.1% to Dfl. 35.2 million.

	First nine months of 1981	Increase in %
Gross premiums life assurance	Dfl. 358 mln.	0.6%
Gross premiums general insurance	Dfl. 383 mln.	8.5%
Installments to savings funds	Dfl. 41 mln.	14.4%
Investment income	Dfl. 334 mln.	14.3%
Other income	Dfl. 140 mln.	13.5%
Turnover	Dfl. 1,256 mln.	8.3%
Net profit	Dfl. 35.2 mln.	4.1%

Are you interested in the Amfas Groep, its field of activity and the results in the first nine months of 1981? Just contact us and we shall be pleased to send you our report on the first nine months.

amfas

Amfas Groep, Westerstraat 3, 3016DG Rotterdam, The Netherlands tel. 010-691155

Rank Industries America, Inc.

a wholly owned subsidiary of

The Rank Organisation Limited

has acquired 21% of

Telecom Equipment Corp.

We served as financial adviser to The Rank Organisation Limited and assisted in the negotiations.

WARBURG PARIBAS BECKER
INCORPORATED

A. G. BECKER INCORPORATED

Bank of Tokyo (Curaçao) Holding N.V.

US \$75,000,000

Guaranteed Floating Rate Notes due 1991



Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

The Bank of Tokyo, Ltd.

(Kabushiki Kaisha Tokyo Chinko)

In accordance with the provisions of the Agency Agreement between Bank of Tokyo (Curaçao) Holding N.V., The Bank of Tokyo, Ltd., and Citibank, N.A., dated February 2, 1981, notice is hereby given that the Rate of Interest has been fixed at 16 1/2% p.a. and that the interest payable on the relevant Interest Payment Date, August 4, 1982, against Coupon No. 3 will be U.S.\$413.22.

February 4, 1982.

By: Citibank, N.A., London, Agent Bank

CITIBANK

Weekly net asset value
Tokyo Pacific Holdings (Seaboard) N.V.
on February 1st 1982 U.S. \$89.12
Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

VONTOBEL EUROBOND INDICES

PRICE INDEX	2.2.82	26.1.82	AVERAGE YIELD	2.2.82	26.1.82
OM Bonds	91.25	91.72	OM Bonds	9.531	9.672
HFL Bonds & Notes	95.26	95.00	HFL Bonds & Notes	10.916	10.553
U.S. & Str. Bonds	88.20	88.96	U.S. & Str. Bonds	14.501	14.550
Can. Dollar Bonds	91.19	91.25	Can. Dollar Bonds	14.852	14.782

NOTICE

To the holders of the Floating Rate London Dollar Certificates of Deposit due August 1982 ("Certificates") of:

Dow Scandia Banking Corporation Limited

Northgate House,
20/24 Moorgate, London EC2

We hereby certify that the rate of interest payable on the Certificates for the Interest Period beginning on the 4th day of February, 1982, is 16 1/2 per cent per annum and the Interest Payment Date relating thereto is the 4th day of August, 1982.

4th February, 1982

European Banking Company Limited



U.S. \$50,000,000

Hapoalim International N.V.

Guaranteed Floating Rate Notes 1986

For the six months

4/3/82 to 9/3/82

The Notes will carry an

interest rate of 16 1/2% per annum

Coupon Value US\$250,000

Listed on The Stock Exchange, London

Agent Bank - National Westminster Bank Limited, London

Companies and Markets INTL: COMPANIES & FINANCE

Jeremy Stone, recently in Atlanta, looks at the rapid growth of Turner Broadcasting

TV pioneer banks on innovation

THE RAZOR'S edge is where he is most comfortable... Mr Ted Turner is not the usual sort of chairman...



Mr Ted Turner

A couple of years ago, Turner Broadcasting (TBS) looked... The initial capital cost of CNN was not far short of \$20m...

also is difficult to dissuade when his mind is made up... Mr Bill Bevins, TBS vice-president...

WTBS made an operating profit last year of \$22m. According to Mr Bevin it is reaching 25m viewing households...

Since advertising revenue tends to increase almost geometrically with audience ratings... WTBS is forecast to bring in a \$40m operating profit this year...

Against this must be set the \$7m prospective loss from CNN2, perhaps a further \$7m deficit from the Atlanta Braves and Hawks...

Apert from the inherent uncertainty of revenue and profit projections, there are two clouds in the sky over TBS this year—unions and competition.

Many of the staff—particularly in the news services—are young graduates who get a background in the technical side of television journalism...

Mr Turner was first in cable news, but there was never a chance that the major networks would let him have the field to himself for very long...

A profitable future for TBS depends on maintaining share as the market grows which dictated the timing of Mr Turner's decision to launch CNN2.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Table with columns: 1980, 1981, 1982, Ind. prod., Mfg. output, Eng. orders, Retail sales, Unemp., Vacancies. Rows: 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, June, July, Aug, Sept, Oct, Nov, Dec, 1982, Jan.

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

Table with columns: 1980, 1981, 1982, Consumer goods, Invest. goods, Intmd. goods, Eng. output, Metal mnfg, Textile etc, Houng. starts. Rows: 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, Feb, March, April, May, June, July, Aug, Sept, Oct, Nov, Dec, 1982, Jan.

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance, current balance (€m), oil balance (€m); terms of trade (1975=100); exchange reserves.

Table with columns: 1980, 1981, 1982, Export volume, Import volume, Visible balance, Current balance, Oil balance, Terms trade, Resv. trade. Rows: 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, Feb, March, April, May, June, July, Aug, Sept, Oct, Nov, Dec, 1982, Jan.

FINANCIAL—Money supply M1 and sterling M3. Bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (€m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

Table with columns: 1980, 1981, 1982, M1, M3, Bank adv., DCE, BS inflow, HP lending, MLR. Rows: 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, June, July, Aug, Sept, Oct, Nov, Dec, 1982, Jan.

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

Table with columns: 1980, 1981, 1982, Earnings, Basic materials, Wholesale prices, Retail prices, Food prices, Commodity index, Trade weighted value. Rows: 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, July, Aug, Sept, Oct, Nov, Dec, 1982, Jan.

Malayan Bank rises despite economic dip

By Wong Sulong in Kuala Lumpur

MALAYAN BANKING, Malaysia's largest bank, has reported a rise of 22 per cent in after tax profit for the first half...

The group is paying an interim dividend of 8 per cent on capital of 180m ringgit... Four more branches were opened in the first half...

The Malaysian Government is the biggest shareholder of Malayan Banking, and the changes reflect the restructuring undertaken by Dr Mahathir, the Prime Minister...

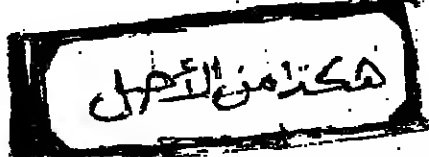
UNITED ASIAN BANK (UAB), Malaysia's fourth largest bank, is to make a scrip issue and a special issue to Bumiputras... The three-for-four scrip issue will capitalise 15m ringgit...

The remaining 5.27m shares will be sold to the three Indian-owned promoter banks... UAB was formed in 1973 through the merger of the Malaysian branches of Indian Overseas Bank...

Pernas extends hotel interests

By Our Kuala Lumpur Correspondent

PERNAS, the Malaysian Government-owned trading and investment corporation, is to buy 59 per cent of the equity of the 380 room hotel Javapuri in Petaling Jaya...



BAYTANK (HOUSTON) INC. (an Odfjell Westfal-Larsen affiliate) \$40,000,000 Gulf Coast Industrial Development Authority Revenue Bonds for construction by BAYTANK (HOUSTON) INC. of a bulk liquid cargo terminal in Bayport, Texas \$25,000,000 Series A Floating Rate Demand Bonds due 1982 \$15,000,000 Series B Fixed Rate Bonds due 1993 We acted as financial advisor to Baytank (Houston) Inc. and to Odfjell Westfal-Larsen in connection with the direct placement of the Bonds with institutional investors. Morgan Guaranty Trust Company of NEW YORK December 1981

Morgan Guaranty Trust Company OF NEW YORK

Consolidated statement of condition December 31, 1981

Assets table: Cash and due from banks \$ 4,432,771; Interest-bearing deposits 8,408,184; Investment securities (market value: \$4,094,494,000) 4,787,572; Trading account securities, net 644,615; Federal funds sold and securities purchased under agreements to resell 958,066; Loans and lease financing 28,734,802; Less: allowance for possible credit losses 301,442; Net loans and lease financing 28,433,360; Customers' acceptance liability 3,078,953; Premises and equipment, net of accumulated depreciation of \$139,454,000 195,685; Other assets 2,176,423; Total assets \$53,115,629

Liabilities table: Demand deposits in offices in the U.S. \$ 6,796,177; Time deposits in offices in the U.S. 7,950,080; Deposits in offices outside the U.S. 22,942,433; Total deposits 37,688,690; Federal funds purchased and securities sold under agreements to repurchase 5,206,024; Other liabilities for borrowed money 3,032,236; Accrued taxes and expenses 1,062,945; Liability on acceptances 3,079,459; Dividend payable 35,000; Long-term debt: Convertible debentures (4 1/4%, due 1987) 43,976; Floating-rate French franc notes (due 1989) 53,460; Capital notes (5%, due 1992) 60,809; Other long-term debt 29,842; Other liabilities 566,244; Total liabilities \$50,858,685

Stockholder's equity table: Capital stock, \$25 par value (authorized and outstanding: 10,000,000 shares) \$ 250,000; Surplus 592,404; Undivided profits 1,414,540; Total stockholder's equity 2,256,944; Total liabilities and stockholder's equity \$53,115,629

Member, Federal Reserve System, Federal Deposit Insurance Corp. Incorporated with limited liability in the State of New York, U.S.A. 23 Wall Street, New York 10015 London: Morgan House, 1 Angel Court Banking offices also in Amsterdam [Bank Morgan Labouchere], Antwerp, Brussels, Buenos Aires, Düsseldorf, Frankfurt, Geneva [J. P. Morgan (Suisse) S.A.], Hong Kong, Madrid, Milan, Nassau, Paris, Rome, St. Helier, Santiago [Banco Morgan Finansa], Seoul, Singapore, Taipei, Tokyo, Zurich Representative offices in Beirut, Caracas, Jakarta, Kuala Lumpur, Los Angeles, Manila, Mexico City, São Paulo, Sydney

Banco de Bogotá Finance Corporation U.S. \$25,000,000 Guaranteed Floating Rate Notes 1985 Unconditionally and irrevocably guaranteed by Banco de Bogotá In accordance with the provisions of the Notes, notice is hereby given that for the six month period 4th February 1982, to 4th August 1982, the Notes will carry a Rate of Interest of 16 1/2 per annum with a coupon amount of U.S.\$82.95. Agent Bank CHEMICAL BANK INTERNATIONAL LIMITED

Companies and Markets

WORLD STOCK MARKETS

Dow 4.8 easier at midsession

NEW YORK

Table of stock prices for various companies in New York, including columns for Stock, Feb. 2, and Feb. 1.

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After starting a little firmer, Wall Street drifted easier in another fairly active early trade amid lingering concern about rising U.S. interest rates.

The Dow Jones Industrial Average declined 4.78 to 847.79 at 1 pm, while the NYSE All Common Index receded 42 cents to 87.75.

Turnover came to 333.6 million shares, compared with Tuesday's 1 pm figure of 301.2 million.

More U.S. banks, including BankAmerica, raised their prime interest rates to 16 1/2 per cent from 15 1/2 per cent.

The Dow Jones Industrial Average advanced 2.14 to 849.93, recouped 2.14 of Tuesday's fall of 4.93.

Advances led declines on the First Market by 337 to 297 following volume of 260 million shares (320 million).

Light Electricals, Pharmaceuticals, Machine Tools, some Precision Instruments and Heavy Electric Machines gained ground.

Construction, Textiles and Metals were modestly firmer.

TDK Electronic climbed 1/10 to 14.10, Sharp Japan Y50 to 12.90, Sharp Y140 to 12.40, Ricoh also to 12.40.

There were isolated losses ranging to 15 pennings. The Bundesbank sold DM 2.3 million of paper in Frankfurt after buying DM 40 million the previous day.

Gold shares picked up on the day, and modestly firmer on the day, with the steeper Bullion price aiding sentiment.

East Rand Proprietary gained 50 cents to 115.00, and Harmony 25 cents to 115.00.

Mining Finitals were quiet and mostly little changed, but Gold Fields declined R2 to R19.

Analysts could not find any single reason for the market's buoyancy. The agreement with Algeria on revising terms of contracts for the supply of natural gas may have had some bearing on the improved sentiment.

Many stocks posted gains of 5 per cent or more. Market leaders included Bancaire, Schneider, Manoir, Paris-France, Printemps, BIC, Michelin, Radiotelecom, Cencosud, Lore and Delfin-Mieg.

Lossing ground against the trend were BCT, Midland Bank, Sillie and Kleber.

Germany Shares mainly gained ground in moderate trading as the presence of foreign buyers encouraged domestic investors.

The Commerzbank index put on 3.0 to 666.1. In Steels, Thyssen, ahead of the results, gained DM 1.20 to DM 77.

Klockner, despite reporting lower world turnover for 1980-81, added 60 pennings at DM 60.

Hoesch, however, due to a statement today regarding a possible link-up with Krupp Stahl, shed 10 pennings to DM 25.60.

Machine Manufacturers, Banks, Motors and some Electricals were favoured. Linde improved DM 2 to DM 317.

Volkswagen DM 5.50 to DM 241, and Deutsche Bank DM 27.74, while Electricals had Brown Boveri up DM 7 to DM 225.50 and Siemens DM 2.30 higher at DM 214.

On the Domestic Bond market, prices of Public Authority Loans issued by the Federal Bank but there were isolated losses ranging to 15 pennings.

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Japan Shares closed easier for choice after lethargic trading, although a few Mining Heavyweights hardened.

The All Ordinaries index slipped 1.8 to 946.2. Higher domestic and U.S. interest rates a lower Gold Bullion price in New York overnight kept markets steady.

Brokers said there was a lack of investors in the market, adding that a rise in short-term interest rates in Australia was providing a secure high yielding alternative to stocks.

Mining Heavyweights hardening against the trend included MIM, 5 cents up at A\$3.05, and CRA, 2 cents firmer at A\$2.70.

Hong Kong The mildly better performance by Wall Street overnight started the Hong Kong market on a firmer note yesterday, but some selling encountered towards the end of the short Wednesday session.

Left shares with an easier bias, where changed, the Hang Seng index was finally 6.0 lower at 1,354.15 after another thin trade.

The impact of the increase in U.S. Prime Rate to 16 1/2 per cent, cited as a depressant for Hong Kong stocks on Tuesday, had waned, brokers said.

A rise in local interest rates was thought unlikely because credit appeared plentiful, they added.

Hong Kong Telephone continued to retreat in the shedding 70 cents to HK\$59.00, while elsewhere, Sun Hung Kai Properties declined 30 cents to HK\$2.00.

Johannesburg After further easing at the outset, Gold shares picked up on the day, and modestly firmer on the day, with the steeper Bullion price aiding sentiment.

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Canada Markets tended to recover further ground yesterday morning in a fair business. The Toronto Composite Index put on 6.0 to 1,756.0 at midday, while Closing Prices for North America are not available for this edition.

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France After the recent pause, the market resumed its advance yesterday in very active trading. The Inducteur de Tondec index rose 2.6 to 115.8. Advancing issues outpaced falls by three-to-one in the French sector, while the ratio was even greater among foreign issues.

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Indices

Table of indices for various markets, including columns for Index, Jan. 29, Jan. 27, Jan. 26, High, Low, and Jan. 15 Year ago (approx).

NEW YORK

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STANDARD AND POOR'S

Table of Standard and Poor's indices, including columns for Index, Jan. 29, Jan. 27, Jan. 26, High, Low, and Jan. 15 Year ago (approx).

NEW YORK ACTIVE STOCKS

Table of New York Active Stocks, including columns for Stock, Change, and Price.

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Source: Reuters

Source: Reuters

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Companies and Markets

COMMODITIES AND AGRICULTURE

Tea producers to meet

TEA-EXPORTING countries are to meet in New Delhi from Monday to discuss... The meeting is expected to discuss a draft framework for an international agreement...

Halt called to North Sea herring fishing

BY LARRY KLINGER IN BRUSSELS

THE EUROPEAN Commission has told member states to halt herring fishing in the southern North Sea and eastern Channel because the area is threatened with being dangerously overfished...

The Commission unilaterally tabled its own quotas, calling on the member states to honour them under the 'gentleman's agreement'... The expected rush did not develop fully, mainly because a glut of fish seriously depressed prices...

U.S. futures body hearings set

WASHINGTON - The Senate Agriculture Committee scheduled a series of hearings on the authorization of the commodity futures trading commission (CFTC)...

Tin surges to record level

BY JOHN EDWARDS, COMMODITIES EDITOR

A SURGE in the cash tin price on the London Metal Exchange yesterday raised fears that the move to set premium limits, announced on Wednesday, may have backfired...

At the same time some traders, with large outstanding sales positions over a period of time, may feel it preferable to buy cash tin now rather than face paying a premium of £120 for each outstanding sale... Demand yesterday, however, was thought to have been artificially boosted by traders...

Gloomy outlook for cocoa

By Our Commodities Editor

THE OUTLOOK for cocoa prices during the coming months does not look buoyant, according to the latest market report by London broker, Gill and Duffus, set today... Forecast surpluses of supply over demand is put at 95,000 tonnes for the 1981-82 season...

EEC sugar exports lower

AT ITS weekly sugar export tender yesterday the EEC Commission granted licence covering 47,750 tonnes of white sugar with a maximum export rebate of 21,189 European currency units...

The Commission believes that debate on reforming the Common Agricultural Policy is a dangerous sham... The Bureau believes that debate on reforming the Common Agricultural Policy is a dangerous sham...

EEC FARM PACKAGE

Consumers incensed by price rises

BY LARRY KLINGER IN BRUSSELS

PROPOSALS FOR an average 9 per cent increase in EEC common farm prices in the coming season have galvanised European consumer groups to mount their strongest ever campaign to resist accelerating increases in food prices... The Commission has already proposed the highest average price increases in six years...

are most likely justified. The Commission has already proposed the highest average price increases in six years... COPA says farmers' income in real terms have fallen by 25 per cent in the past three years...

Argentina needs Soviet grain sales

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA exported about 75 per cent of its total grain and oil seeds to the Soviet Union last year, the second highest customer with 11 million tonnes... Argentina was the only main grain exporting country to reject President Jimmy Carter's call for an embargo on grain shipments to the Soviet Union...

embarrassed by such an embargo. President Leopoldo Balberis has adopted a more firmly pro-U.S. line... Argentina's total production of grains this year is expected to drop from 34.8m tonnes to 32.3m tonnes...

BASE METALS

Table with columns for metal type (Copper, Lead, Zinc, Tin, Nickel), price, and change. Includes sub-sections for High Grade, Standard, and Low Grade.

GAS OIL FUTURES

Table showing gas oil futures prices for various grades (Heating Oil, Diesel, etc.) and their changes.

SILVER

Table showing silver prices in London and other markets, including spot and futures prices.

COCOA

Table showing cocoa prices for various grades (Baker's, etc.) and their changes.

COFFEE

Table showing coffee prices for various grades (Arabica, Robusta) and their changes.

COTTON

Table showing cotton prices for various grades (Upland, Pima) and their changes.

SOYABEAN MEAL

Table showing soyabean meal prices for various grades and their changes.

WHEAT

Table showing wheat prices for various grades and their changes.

POTATOES

Table showing potato prices for various grades and their changes.

MEAT/VEGETABLES

Table showing prices for various meats (beef, lamb, etc.) and vegetables.

AMERICAN MARKETS

Table showing American market prices for various commodities like sugar, oil, and grains.

Tuesday's closing prices

Table showing closing prices for various commodities on Tuesday.

EUROPEAN MARKETS

Table showing European market prices for various commodities.

Advertisement for Krugerrands and Sovereigns, featuring 'Bought & Sold Cash Settlements' and 'Venus Coins Limited'.

Advertisement for Schiller International University, listing various courses and contact information.

Advertisement for Classified Advertisement Rates, including a table of rates and contact information for the Financial Times.

Interest rate optimism revives and markets rebound
Gilts up a point and equity index rises 7.0 to 578.0

Account Dealing Dates
Option
*First Declara- Last Account
Dealings from Dealings Day
Jan 25 Feb 11 Feb 12 Feb 22

Trend after Monday's sharp setback. The latter resurgence of institutional support uncovered stock shortages and an actived squeezes in bear positions with some equity leaders moved up quite quickly. Beecham were a good example, rising to 256p prior to closing 7 up on balance at 253p.

Barclays Bank were unhindered by the early-morning announcement of its placing of £100m of 16 per cent dated and unsecured Loan stock at par and settled 10 higher at 468p.

European demand continued to be a factor, taking longer-dated Government stocks up a point and occasionally more in relation to the leading before U.S. bonds opened on an easier bias. Profit-taking then reduced the gains by 1, but selected issues still managed closing rises of a point.

Composite Insurances contributed to the general firm trend but the volume of business was small.

Whitbread touched 104p before ending a net 4 dearer at 103p. Grand Metropolitan, 203p, and Allied-Lyons, 30p, rose 8 and 8 respectively.

ICI touched 344p before drifting off late to close just 2 dearer on balance at 340p.

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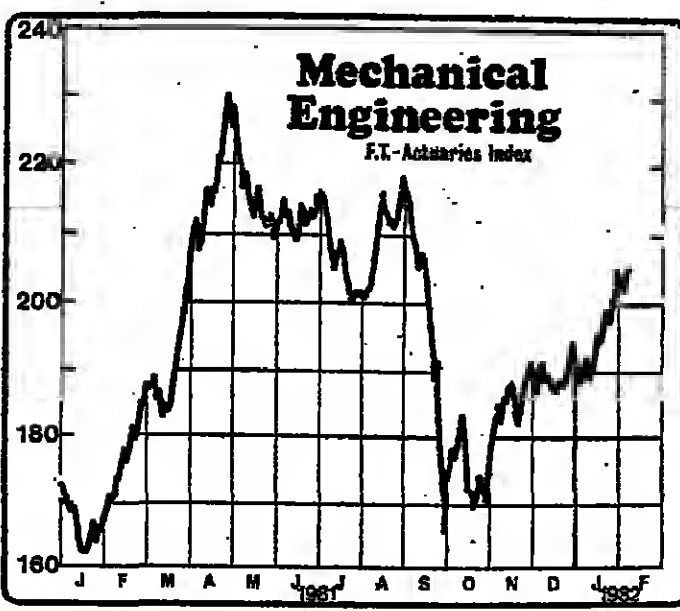
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Mechanical Engineering
FT-Actuaries Index
180 200 220 240
J F M A M J J A S O N D 1981

up 4 at 84p and Bank of Ireland relinquished 5 at 220p. Discount Houses were inclined harder with Smith St Aubyn particularly notable for an improvement of 4 to 38p.

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The Food sector attracted a lively two-way business. Brooke Bond firmed 2 for a two-day gain of 3 to 56p, after 56p, following the sale of the group's remaining European food manufacturing companies to BSN for £9m.

Among Hotels and Caterers, Saroy "A" attracted speculative interest and added 4 to 182p with the "B" 1 point higher at £16, while Norfolk Capital put on 4 to 34p for a like reason.

Beecham below best
Beecham were an active counter-industrial leader, touching 256p in brisk trading before closing a net 7 up at 253p.

Scattered support was evident for Textiles. Allied returned to favour and added 6 to 202p. Among smaller-priced issues, takeover hopes prompted gains of 4 in Albert Martin, 28p, and Higgins 46p.

South African Golds held steady despite the \$2.25 fall in the bullion price to \$378.25 an ounce.

RTZ advance
London-based Financials made the running in mining markets. Initially quiet reflecting the marginal decline in the bullion price and the weakness of base metals, the sector moved ahead strongly on the after-bours trade led by sharp gains in UK equities.

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RECENT ISSUES
EQUITIES

Table with columns: Issue price, Amount paid up, Latest date, 1981/2 High/Low, Stock, and various financial metrics.

FIXED INTEREST STOCKS

Table with columns: Issue price, Amount paid up, Latest date, 1981/2 High/Low, Stock, and various financial metrics.

"RIGHTS" OFFERS

Table with columns: Issue price, Amount paid up, Latest date, 1981/2 High/Low, Stock, and various financial metrics.

Announcement date usually that day for dealing first of stamp duty. Figures based on prospectus estimates. Dividend rate paid or payable. Assumed dividend based on prospectus or other official estimates for 1982.

ACTIVE STOCKS

Table with columns: Stock, Closing price, Day's change, and various financial metrics.

TUESDAY'S ACTIVE STOCKS

Table with columns: Stock, Closing price, Day's change, and various financial metrics.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, Feb. 3, Feb. 2, Feb. 1, Jan. 29, Jan. 28, Jan. 27, A year ago.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns: Index Name, 1981/2 High/Low, Since Completion High/Low, Feb. 3, Feb. 1.

APPOINTMENTS

Sales director for British Gas

Mr David Heslop has been appointed sales director of BRITISH GAS, from February 15. He has been director of sales for North West Gas since June 1976. He succeeds Mr W. R. Probert, who was formerly director of sales and is now managing director, marketing. Mr Heslop joined the gas industry as a trainee in 1954. He has since held several regional and managerial posts, principally in sales and service, in four of the British Gas regions—Scottish, West Midlands, South Eastern and North Western.

PUBLIC NOTICES

WINDHAM'S 5.30 2020. CC 370 8555. Group reductions. Mr J. L. Williams resigned as a director of ACCL INTERNATIONAL COMMODITY SERVICES.

CLUBS

EVIS has acquired the others measure of a policy of fair play and value for money.

NEW HIGHS AND LOWS FOR 1981/2

Table with columns: Index Name, High, Low, and various financial metrics.

RISES AND FALLS YESTERDAY

Table with columns: Index Name, Rise/Fall, and various financial metrics.

OPTIONS

Table with columns: Index Name, Last Deal, Last Declara, and various financial metrics.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Wed Feb 3 1982, and various financial metrics.

FIXED INTEREST

Table with columns: PRICE INDICES, Wed Feb 3, and various financial metrics.

AVERAGE GROSS REDEMPTION YIELDS

Table with columns: Index Name, Wed Feb 3, and various financial metrics.

Handwritten text in a box at the top right of the page.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their details, including names like 'A & C Unit Trust' and 'A & C Unit Trust (2)'. It includes columns for names, managers, and other identifiers.

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FT UNIT TRUST INFORMATION SERVICE

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INSURANCE PROPERTY BONDS

Table listing insurance and property bond details, including names like 'A & C Unit Trust' and 'A & C Unit Trust (2)'. It includes columns for names, managers, and other identifiers.

NOTES section at the bottom left of the page, providing additional information and disclaimers.

Espley-Tyas
FOR PROPERTY & CONSTRUCTION
We cover the country
London · Leeds · Birmingham
021-454 9881

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

High	Low	Stock	Price	%	Yield	Div.
107	99	Treasury 10c 1982	99.1	+0.1	14.8	15.3
99	97	Treasury 10c 1983	97.1	+0.1	14.8	15.3
97	95	Treasury 10c 1984	95.1	+0.1	14.8	15.3
95	93	Treasury 10c 1985	93.1	+0.1	14.8	15.3
93	91	Treasury 10c 1986	91.1	+0.1	14.8	15.3
91	89	Treasury 10c 1987	89.1	+0.1	14.8	15.3

LOANS

High	Low	Stock	Price	%	Yield	Div.
107	99	Public Board and Ind.	99.1	+0.1	14.8	15.3
99	97	Financial	97.1	+0.1	14.8	15.3

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	%	Yield	Div.
290	175	ANZ SAZ	205	+0.2	13.1	13.4
280	165	Alexander D. E.I.	200	+0.1	13.1	13.4
270	155	Alfred Jones	195	+0.1	13.1	13.4

CHEMICALS, PLASTICS—Cont.

High	Low	Stock	Price	%	Yield	Div.
43	21	ICI	21	+0.1	13.1	13.4
42	20	ICI	20	+0.1	13.1	13.4
41	19	ICI	19	+0.1	13.1	13.4

ENGINEERING MACHINE TOOLS

High	Low	Stock	Price	%	Yield	Div.
107	99	AI Ind. Prods.	99.1	+0.1	14.8	15.3
99	97	AI Ind. Prods.	97.1	+0.1	14.8	15.3

FOOD, GROCERIES—Cont.

High	Low	Stock	Price	%	Yield	Div.
107	99	Lowell (C.P.)	99.1	+0.1	14.8	15.3
99	97	Lowell (C.P.)	97.1	+0.1	14.8	15.3

Five to Fifteen Years

High	Low	Stock	Price	%	Yield	Div.
107	99	Treasury 10c 1982	99.1	+0.1	14.8	15.3
99	97	Treasury 10c 1983	97.1	+0.1	14.8	15.3
97	95	Treasury 10c 1984	95.1	+0.1	14.8	15.3

FOREIGN BONDS & RAILS

High	Low	Stock	Price	%	Yield	Div.
107	99	Antagasta Ry.	99.1	+0.1	14.8	15.3
99	97	Antagasta Ry.	97.1	+0.1	14.8	15.3

AMERICANS

High	Low	Stock	Price	%	Yield	Div.
107	99	AMP 5% Conv. '87	99.1	+0.1	14.8	15.3
99	97	AMP 5% Conv. '87	97.1	+0.1	14.8	15.3

BEERS, WINES AND SPIRITS

High	Low	Stock	Price	%	Yield	Div.
107	99	Beck's	99.1	+0.1	14.8	15.3
99	97	Beck's	97.1	+0.1	14.8	15.3

DRAPERY AND STORES

High	Low	Stock	Price	%	Yield	Div.
107	99	Allshopp	99.1	+0.1	14.8	15.3
99	97	Allshopp	97.1	+0.1	14.8	15.3

INDUSTRIALS (Miscel.)

High	Low	Stock	Price	%	Yield	Div.
107	99	AAI	99.1	+0.1	14.8	15.3
99	97	AAI	97.1	+0.1	14.8	15.3

Over Fifteen Years

High	Low	Stock	Price	%	Yield	Div.
107	99	Treasury 10c 1982	99.1	+0.1	14.8	15.3
99	97	Treasury 10c 1983	97.1	+0.1	14.8	15.3

Undated

High	Low	Stock	Price	%	Yield	Div.
107	99	Consolidated	99.1	+0.1	14.8	15.3
99	97	Consolidated	97.1	+0.1	14.8	15.3

BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	%	Yield	Div.
107	99	Abertop	99.1	+0.1	14.8	15.3
99	97	Abertop	97.1	+0.1	14.8	15.3

ELECTRICALS

High	Low	Stock	Price	%	Yield	Div.
107	99	A.B. Electronic	99.1	+0.1	14.8	15.3
99	97	A.B. Electronic	97.1	+0.1	14.8	15.3

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	%	Yield	Div.
107	99	Bank of Africa	99.1	+0.1	14.8	15.3
99	97	Bank of Africa	97.1	+0.1	14.8	15.3

CORPORATION LOANS

High	Low	Stock	Price	%	Yield	Div.
107	99	Bank of America	99.1	+0.1	14.8	15.3
99	97	Bank of America	97.1	+0.1	14.8	15.3

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

High	Low	Stock	Price	%	Yield	Div.
107	99	Fielding 10c 1986	99.1	+0.1	14.8	15.3
99	97	Fielding 10c 1986	97.1	+0.1	14.8	15.3

CANADIANS

High	Low	Stock	Price	%	Yield	Div.
107	99	Bank of Montreal	99.1	+0.1	14.8	15.3
99	97	Bank of Montreal	97.1	+0.1	14.8	15.3

A FINANCIAL TIMES SURVEY INTERNATIONAL CAPITAL MARKETS

MARCH 15 1982

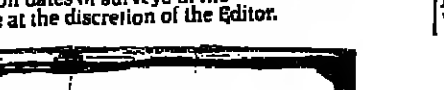
The Financial Times is planning to publish a Survey on International Capital Markets in its issue of March 15th, 1982. The provisional editorial synopsis is set out below.

Introduction Activity on the international bond and eurocredit markets was running at record levels in 1981 despite the high level of world interest rates. While the bond markets entered a more optimistic phase as the year wore on, there were increasing signs of concern in the eurocredit market over the heavy indebtedness of some borrowers and the low profitability of arranging deals at low margins. The outlook for 1982.

- OECD and the World Economy**
- Interest Rate and Exchange Market Trends**
- The Role of IMF in the Recycling Process**
- Regulating the Euromarkets**
- The New York Bond Market**
- The International Bond Markets**
- INTERNATIONAL CREDITS**
- The Eurocredit Market**
- Export Credits**
- Project Financing and Co-Financing**
- The Commercial Paper Market in the U.S.**
- New York Offshore Banking Facilities**
- The Eurodollar Bond and Floating Rate Note Market**
- The Convertible Bond Market**
- The D-Mark Foreign Bond Market**
- The Swiss Franc Foreign Bond Market**
- The Japanese Bond Market**
- The So-Called Minority Cult Markets**
- The UK Bankers' Acceptances Market**
- The Certificate of Deposit Market**
- The Main Lenders in the Eurocredit Market**
- Borrowing by Region**

Copy date: March 1st 1982
For further information and advertising rates please contact:
Adrian Blackshaw
Financial Times, Bracken House, 10 Cannon Street, London EC4A 3DF
Tel: 01-248 8000 Ex. 3389 Telex: 880533 FININT G

The size, contents and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.



مكتبة التملك

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo TV, British Airways, and various manufacturing firms with their respective prices and market movements.

LEISURE

Table of leisure-related stocks such as British Skyways, British Telecom, and other service-oriented companies.

PROPERTY—Continued

Table of property and real estate stocks including various investment trusts and land development companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts and funds, detailing their performance and market status.

OIL AND GAS—Continued

Table of oil and gas industry stocks, including major energy companies and their market prices.

Saitama Bank advertisement featuring the bank's logo, name, and contact information for London and other international branches.

MINES—Continued

Table of mining stocks, categorized by region (Central African, Australian, Overseas Traders) and listing various mineral extraction companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including manufacturers and related service providers.

SHIPPING

Table of shipping stocks, covering major shipping lines and maritime-related companies.

SHOES AND LEATHER

Table of shoes and leather goods stocks, including manufacturers and retailers.

SOUTH AFRICANS

Table of South African stocks, listing companies from that region.

TEXTILES

Table of textile stocks, including manufacturers and suppliers in the industry.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks, listing major media companies.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks, including related service providers.

TOBACCO

Table of tobacco stocks, listing companies in the tobacco industry.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks, including investment trusts and financial institutions.

OVERSEAS TRADERS

Table of overseas traders, listing companies that trade internationally.

RUBBERS AND SISALS

Table of rubber and sisal stocks, including manufacturers and suppliers.

TEAS

Table of tea stocks, listing companies in the tea industry.

MINES

Table of mining stocks, categorized by region (Central African, Eastern Rand, Far West Rand) and listing various mineral extraction companies.

INSURANCE

Table of insurance stocks, listing major insurance companies.

REGIONAL MARKETS

Table of regional market data, including prices for various commodities and regional indices.

OPTIONS

Table of options market data, listing call and put options for various stocks.

Additional notes and information regarding the options market and other financial details.

Skelmersdale For full details on land, building and grants available, phone: Skelmersdale (0695) 32123.

FINANCIAL TIMES

Thursday February 4 1982

Balfour Beatty Builds 01-686 8700

Nato to step up Polish sanctions

BY JOHN WYLES IN BRUSSELS

THE U.S. and its Nato allies yesterday promised more political and economic measures against Poland and the Soviet Union. But they avoided adding to a growing row over whether U.S. sanctions should be allowed to delay the controversial gas pipeline project linking Siberia and Western Europe.

U.S. measures has produced consternation and resistance in several European capitals where it has been made clear to U.S. officials that existing contracts for parts and equipment must be fulfilled. European governments have suspected for the past month that the Reagan Administration's suspension of export licences for U.S. equipment to be used in the pipeline was a deliberate attempt to torpedo a project which is very unpopular with the White House.

ties for Poland; refusing to allow transfers of sensitive technology to Poland; and the suspension of flights by LOT, the Polish airline. European officials were last night hoping that actions already taken as well as those which are on the way, will persuade Washington not to mount further unilateral measures. However, U.S. officials said that further American measures would be considered in Washington within the next few days.

THE LEX COLUMN

Price no object for Barclays

The average British industrial company finance director can only gape in wonder at Barclays' £100m 25-year 16 per cent Unsecured Capital Loan stock, being placed at par. This issue does not mean that the traditional corporate bond market is re-opening; rather, it reflects the way that Barclays forms part of the pool of international multicurrency borrowers who have already been quite active over the past year in the Bull-dog bond market.

Index rose 7.0 to 578.0

seeking further expansion abroad through acquisition. In this context, the addition of £100m to a total capital base of the order of £2.5bn is really rather a modest move. If rates do fall, maybe Barclays will be back for more.

Interest Rates

Yesterday's early confidence in the gilt-edged market had waned by mid-afternoon as Wall Street took a fresh look at the results of Tuesday's three-year note tender, and the Federal Funds rate defied most expectations by moving higher. At the end of the day, sterling had retreated to \$1.86 from highs of around \$1.8750 and short-dated stocks had given up gains of up to half a point.

Tobacco

After some pretty rough trading results, the smoke is beginning to clear a little from the tobacco sector. Yesterday's strong tobacco results from Gallaher suggest that the UK industry has succeeded in bolstering its margins since the summer, in spite of the squeeze on volume. Gallaher may have had a better time of it than others in the UK thanks to its brand strength in king size. All the same the market has now come round to the view that the

Imperial Group's preliminary figures at a week's time will threaten the dividend. Outside the UK, BAF's important Brazilian subsidiary Souza Cruz has just reported a strong recovery in profits after three years of decline. In local currency terms, profits have more than tripled and they are well above what they were last year. This is a result of the company's expansion into Australia and Canada, and the fact that its subsidiaries in these countries have risen from \$479m last year to \$600m pre-tax. The group's profit rose to a peak of \$83m and the company has substantially outperformed the market so far this year.

Oil price

In recent weeks the oil market has led forecasts to scale down their estimates of demand in 1982, while estimates of stocks have been pushed higher. With non-Opec production strong, the expectation now is that the Saudis will cut output by one or two million barrels a day to defend the reference price. Current production is running at about 81m b/d, so such a cut would bring the Saudis close to the 61m b/d level which is the minimum they would be comfortable with. Any move into deficit, while shortages of oil-associated gas production may develop for internal projects. Meanwhile, the Saudis' closest allies in Opec have the room for further production cuts. So any further excess supply—such as might be generated if the Iran/ Iraq were to end, for instance—would force some painful decisions on the Saudis. If they wanted to hold the price steady month after month, they would have to move into the realm of possibility.

Hoechst in deal with Tate & Lyle

By Sue Cameron, Chemicals Correspondent

HOECHST, the West German-based chemicals giant, has signed an agreement with Tate & Lyle, the UK sugar group, to set up a joint research project on biotechnology and carbohydrate chemistry. The initial agreement may eventually lead to two companies setting up joint ventures in new business areas.

'4m are jobless' says commission

BY JOHN LLOYD, LABOUR EDITOR

THE TRUE unemployment figure is about 4m, about 1m higher than the official figure for the registered unemployed, the Manpower Services Commission said yesterday. At the same time the commission said, in its draft corporate plan for 1982-86, that the major problem in the jobs market over the next four years would be a rapid rise in the number of those on the unemployment register for a year or more.

most recently in its 1982 economic review published this week. The figure is achieved by adding to the 3m registered unemployed those who are on special employment measures, the unregistered, and those, mainly elderly workers, who have left the labour force for lack of vacancies and no longer seek work. These groups are estimated to add at least another 1m to the total. The Employment Department said last night, however, that the MSC's estimates for the unregistered and those on special employment measures was at 750,000, at least 100,000 too high.

would reach 1m this year, and would account for 40 per cent of all unemployed until 1986. The total number of registered unemployed would not fall below 3m to that period. The problem of the long-term unemployed was one "not yet sufficiently recognised" and was "large, persistent and pervasive," according to the corporate plan. It says temporary employment programmes provided most help for this group but the Government had decreed 30,000 places only on such programmes he offered and not the 60,000 the MSC considered necessary.

whether they have jobs or not. It is to review also the operation of skill-centres to determine whether the training conducted there could be better. The cost of the commission expected to rise steadily over the next four years, from £120m in 1982-83 to £1.6bn in 1985-86 (at 1982 prices). The largest element in the estimated budget is the Youth Opportunities Programme, the cost of which is expected to rise from £412m in 1981-82 to £863m in 1985-86, or from just over a third to just over a half of the total budget. After the long-term unemployed, who include some young people, the young and ethnic minority groups are regarded as the most intractable problems.

Naval cuts 'could mean 3,000 lay-offs'

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITISH Shipbuilders believes that it will have to lay off nearly 3,000 workers in its warship division directly because of the Government's defence cuts. The state-owned company said yesterday that discussions started with trade unions involved more than 2,700 redundancies in a workforce of some 33,000 engaged on defence contracts.

jobs could be saved if the Government could be persuaded to order its proposed frigate, known as Type 23, and the proposed patrol submarine, Type 2400. He had, however, been told that no orders were possible before spring 1983 and his confidence in the Type 23—intended to be a cheaper and more readily exportable new frigate—was waning because of the likely delay in placing orders. Mr Atkinson said he understood the Government was sub-

ject to "financial constraints," but he would like more understanding from the Government of the British shipbuilders' predicament. Mr Atkinson attacked the Government's actions which, he said, "threatened to destroy this nation's warship-building capability." Mr William Richardson, deputy chairman, said the company's warship orders last year were worth £270m against the normal annual rate of £440m. The company estimated that the defence cuts—the largest in June's defence review fell on

the Navy and its warship programme—would cut warship business by 45 per cent over the next five years. This meant a potential workforce reduction of some 16,000. A joint working party of British Shipbuilders and the Defence Ministry had agreed on a re-organisation and restructuring of the workload of the main warship yards, including a shift to merchant ships and offshore work. This had reduced the likely redundancies to 2,700, Mr Williamson said.

Mr Atkinson acknowledged, in answer to a question from committee chairman Mr Cranley Owsley, that stepped-up exports were the key to Britain maintaining a proper defence industry.

*Memoranda on Ministry of Defence Organisation and Procurement, 22.iii HMSO.

Reagan seeks \$10bn more for defence

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE REAGAN Administration wants to increase its defence budget to more than \$355bn (£139bn) for the coming financial year (fiscal 1983). This is \$10bn more than had originally been suggested, congressional aides said yesterday. Mr Casper Weinberger, the Defence Secretary, outlined details of the defence budget at a closed session of the Senate Armed Services Committee earlier this week.

spending by a real 7 per cent a year, allowing 8 per cent for inflation. The figures, which will be contained in the overall 1983 budget that Mr Reagan is due to present to Congress on Monday, were disclosed as the debate over defence spending on Capitol Hill intensified. It appears likely, however, that Mr Reagan will face a major clash in Congress over his persistent efforts to rearm the U.S. at great expense, at a time of cuts in social programmes and record budget deficits. Yesterday, both Mr Howard

Baker, the Republican majority leader in the Senate, and Mr Tip O'Neill, the Democratic Speaker of the House, agreed that Congress would reduce Mr Reagan's defence spending plans. But while Mr Baker said that Congress would maintain the "broad basic scope" of Mr Reagan's budget, Mr O'Neill predicted that the Democratic-dominated House would launch a major attack on the defence budget. The Treasury and White House confirmed reports that Mr Reagan would propose cuts of up to \$6bn in three previously untouched social pro-

grammes, the Medicaid health care scheme, food stamps and assistance to families with dependent children. Mr Weinberger briefed congressional leaders on Tuesday, as he will be out of the country next week on his first trip to Saudi Arabia, Oman and Jordan to show the U.S. flag at a time when U.S. intelligence estimates suggest that Iran may be heading for a military breakthrough in its long war with Iraq and fresh concern is being expressed in Washington about the export of the Iranian revolution to other Middle East countries.

Weather

UK TODAY RAIN spreading from the west, with strong winds. London, S.E. E. and Cent. S. England, E. Midlands Cloudy, becoming rainy. Winds strong. Max. 9C (48F). W. Midlands, N.W. and Cent. N. England, S.W. and N.W. Scotland, Glasgow, Argyll Gale force winds, rain later. Max. 10C (50F). S.W. England, Wales, Isle of Man, N. Ireland Rain giving way to showers. Gales. Max. 11C (52F). Elsewhere Rain becoming general. Winds up to gale force. Max. 7C (45F). Outlook: Mild. Showers, mainly in the north and west.

Table with columns: City, Day, Midday, Y-day, Midday, Y-day. Lists various cities and their weather conditions.

Saudi oil output drops

BY RICHARD JOHNS

SAUDI ARABIAN oil output from its main producing fields is understood to have dropped below 8m barrels a day in recent weeks and to be slipping towards 7.5m b/d. This would be the lowest level since 1973. This compares with Saudi average output between January and October last year of 9.88m b/d. Falling demand reflected in the collapse of the spot market over the past fortnight has prompted Texaco and Shell, two of the four U.S. companies engaged in the operations of

the Arabian American Oil Company, to sift less than their entitlements, according to industry executives. Some of the customers of Petromin, the state oil corporation, are also said not to have been exercising their full options. Reduced demand for Saudi oil is seen both as a symptom of continued over-supply and a reflection of the realignment of prices charged by members of the Organisation of Petroleum Exporting Countries at the ministerial conferences

Pensions

Continued from Page 1

beneficiaries against inflation proof benefits and the Prime Minister is known to feel strongly on the issue. The practical problems have, however, meant that the Government appears not keen to reach an early decision on the Scott Report on the value of such pensions, published a year ago. This favoured the present arrangements. Any conclusions are likely to await the report of the Megaw Enquiry into Civil Service pay, due in the summer. Consequently any changes are unlikely to come into effect until

next year or possibly after the next election. One difficulty is that different public sector groups pay differing percentages of their income in contributions. Lady Young, the Cabinet Minister responsible for the Civil Service, is understood to have argued that such contributions should be consistent throughout the public sector and that the civil service should not be singled out. This would mean teachers, nurses and some other groups have to pay higher contributions than at present.

Left says ILEA costs can lose polls

BY ROBIN PAULEY

LONDON'S leaders of Labour boroughs, staunch Left-wingers, have warned the Inner London Education Authority that they face an election disaster in May unless the rate bill for education falls. The strongly-worded warnings were made at a meeting between Mr Bryn Davies, ILEA leader, and the borough leaders. They are in a confidential ILEA document which the Left-wing leadership found so embarrassing that it rewrote them into a much milder form as an appendix to a more general, confidential paper about budget options for 1982-83. Despite the warnings ILEA, whose members are not directly elected, plans to raise its budget to over £800m in April, against

£699m in the current year and levy an education rate of 73p in the pound in Inner London, a 16 per cent rise. One of the bluntest comments came from the Left dominated Greater London Regional Labour Party: "We are facing the possibility that if there are large Labour losses in the boroughs in May, Social Democrats will consolidate and become the permanent Opposition to Conservatives in place of the Labour Party. "Although cuts cannot be advocated, rates were a recurrent issue in all recent elections." Statements by Labour leaders in the original version include: Tower Hamlets: "If Labour

boroughs lose elections in May it will be on the heads of the GLC and ILEA." Southwark: "Even the strongest Labour boroughs will be lost if there are high precepts. ILEA should review the whole £800m budget for all departments." Greenwich: "There is a sense of unreality about ILEA's budgeting compared with the boroughs." Lambeth: "A 14 per cent precept will be exceptionally damaging to Labour boroughs. Lambeth has imposed cash limits in every department, and it is unacceptable for ILEA to say savings cannot be found without affecting services."

Camden: A "safe Labour seat" was lost in a GLC by-election; on every doorstep rates were mentioned. "The rate limit has been reached. In many London boroughs the whole increase will be due to GLC and ILEA. A 2 to 3 per cent cut could make all the difference to control of boroughs." Lewisham: "If the GLC and ILEA do not find savings, acceptable rate levels can only be found by compulsory redundancies in the boroughs. There is no coherent socialist planning between boroughs and counties." Hackney: "ILEA should have looked more carefully at its budget over the last year."

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